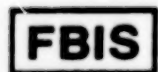


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22 OCTOBER 1986

## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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22 OCTOBER 1986

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SALI VONGKHAMSAO ON AUTONOMY IN PRODUCTION

BK201049 Vientiane KPL in English 0904 GMT 20 Sep 86

[Text] Vientiane, September 20 (KPL)--The electricity, cigarettes, beer and soft drinks companies were granted the autonomy in production at a ceremony held here on September 18.

Speaking on this occasion, Maisouk Saisompheng, member of the LPRP CC, minister of industry and handicraft, said the granting of autonomy in production to grassroots economic units would help promote productivity, and raise the quantity and quality of their products in the interests of the working people-the consumers.

He said the three companies have full conditions for exercising their autonomy in production, capital, equipment and labor, and that all they have to do is to employ their workforce rationally, reexamine the cost of production and make reasonable profits.

Maisouk Saisompheng signed a memorandum granting the autonomy in production to the three companies concerned.

Addressing the ceremony, Sali Vongkhamkao, secretary of the party CC, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, head of the leading committee for autonomy in production, expressed his confidence in the success of the campaign.

Present at the ceremony were nearly 1,000 cadres and workers from the three companies.

/12624

CSO: 4200/16

SAVANNAKHET PARTY CHIEF RESPONDS TO LPRP POLITICAL REPORT

Vientiane PASASON in Lao 20 Aug 86 p 2

[Interview with Comrade Bounngang Volachit, party Central Committee member, secretary of the Savannakhet provincial party committee, and chairman of the Savannakhet Province administrative committee, by PASASON reporter; date and place not specified]

[Text] We proceeded step by step after we received the order of the party Central Secretariat to study and comment on the political report made to the Fourth Party Congress. This means we started from leading organizations and the provincial level on down to the grassroots level within our province. At the beginning we set up a meeting by studying in the regular committee. Then we set up a party committee meeting by asking comrades in the provincial party committee and the provincial administrative committee and comrades who are responsible for different work sections around the province, and also the district party secretaries and the administrative committee chairmen of different districts, to come in and assess and analyze the strong points, work results, and victories of the past 10 years. We also looked for weaknesses and unfinished work along with the reasons for the strengths and weaknesses by analyzing each section from the first to the fifth.

The finding of each comrade in the meeting was that over the past 10 years we were able to score great achievements and victories. Speaking for Savannakhet Province alone, there are many things which stand out for the first time. Based on the studies, assessment, and commentary on the political report, in addition to the work outcome and the victories in each aspect, we found we were also in unity regarding the assessment of the Central Committee of the LPRP regarding weaknesses and unfinished work which must be used as lessons to learn from on a self-criticism basis. Finally, we were in unity with the policy plan in the political report which will be made to the Fourth Party Congress and which is also a detailed plan for implementation in the following years.

The same goes for the grassroots levels. After we have studied in detail and thoroughly the leading organization of the province, we also divided up the comrades and assigned them in the provincial party regular committee, the provincial party committee, and the provincial administrative committee to go down to give guidance in each district in detail as follows. At the provincial

level all districts are now basically completing the first phase in guiding cadres in organizations in the districts and work sections as well as canton administrative committee members. They are now carrying out the second phase where they give advice at the village level and to the people in general.

As for the cadres and party members around the province, we assigned the propaganda and training and organizing section and the provincial party office to organize the dissemination and studies just as they are being done in various districts. It is now in the second phase.

In order for the Second 5-year Plan of the government to succeed, particularly in the 1986 plan, by aiming at the general and specific characteristics of the province and the valuable experience gained over the past years, our province considers the conversion to the grassroots an important matter in mobilizing the movement of the masses in order to strengthen the political foundation, and so that the people will be happy with the building of their new life. The province also carefully guides the people to produce annual wet rice according to the season and encourages the growing of secondary crops, the construction and improvement of agricultural coops, and national defense and security. Factories must exceed the production plan. Each cadre and worker must carry out their own specialized task based on the three main stages--planning, organizing, and implementing, along with summarizing their experiences--and their achievements will become a gift for the Fourth Party Congress and also for the upcoming third congress of the Savannakhet provincial party committee.

9884/12795

CSO: 4206/140



## COMMENTARY SCORES 'COBRA GOLD' EXERCISE AS 'THREAT TO PEACE'

Vientiane PASASON in Lao 15 Aug 86 p 4

[Commentary: "Power Display As a Threat to Peace"]

[Text] The fifth anniversary of the joint U.S.-Thai military maneuvers with the code name "Cobra Gold," which began in mid-July, has moved into its final operation recently by moving troops overland in Rayong Province near the Thai-Cambodian border. The "Cobra Gold 86" maneuvers have exhibited greater weapons power than ever before in the four times that Thailand and the United States carried out these maneuvers previously. There were over 10,000 soldiers, 30 ships including aircraft carriers such as the USS New Jersey, which was involved in the previous invasion of Libya, and tens of modern warplanes from both sides. In moving the troops overland, the triple-force U.S.-Thai operation maneuver was based on the assumption that there was an invasion of Thailand by Cambodia. Military and political observers in other countries have noted that the purpose of the U.S.-Thai military maneuvers near the Cambodian-Thai border is to raise the spirits of the routed Pol Pot clique and other Cambodian reactionaries who are all scattered and are relentlessly going in to a genocidal period. However, the harmful intent of these maneuvers is to threaten the PRK in many ways and to continue to create tension in Southeast Asia. Also, the maneuvers occurred during the general election and the establishment of a new government in Thailand. Thus, the show of power supports the warlike ultra-rightist reactionaries in the Thai power-holding clique so that they can abuse the government's power by doing more evil things. It is also a threat to the struggle of the Thai people against the United States and against the waging of war against their neighbors. What is worse is that the maneuvers are aimed at campaigning against and forcing the Thai people to go along with the U.S. military distribution plan in Southeast Asia, to accept being a secondary weapons stockpile, and to be willing to follow in the orbit of Washington's arms race. It is already clear that the purpose of "Cobra Gold 86" is not meant to protect the interests of the Thai people and not to protect the peace and stability in this region at all. It is being carried out according to the schemes of the United States, which has collaborated with international reactionaries who made use of Thailand as a battlefield for carrying out their dark schemes, and to lead the ultrarightist reactionaries in Thailand to continue to create tension and an atmosphere of war as a continuing threat to the peace and security of this region. Thus, the joint U.S.-Thai military maneuvers are against the wishes of the nations in this region, including the Thai people,

who have always hoped for Southeast Asia to be a region of peace, stability, and cooperation. The Lao, Vietnamese, and Cambodian peoples, now as in the past, have tried their best to take part in building a trend for peace and for meetings between the two groups, Indochina and ASEAN, for the purpose of solving problems in this region by peaceful means for the peace and stability of this region of the world.

9884/12795

CSO: 4206/140



# RESULTS OF ECONOMIC REFORMS IN ELECTRIC CORPORATION

Vientiane PASASON in Lao 15 Aug 86 pp 2, 4

[Interview with Mr Khammon Phonkeo, chief of the board of directors of the Central Lao Electricity Corporation, on carrying out the new economic management in the Lao Electricity Corporation which was chosen for the experiment, by PASASON reporters; date and place not given]

[Text] Part of the interview follows. Many jobs have to be done in the actual practice of turning to the new machinery. Based on the decision of the higher echelons to allow the Lao Electricity Corporation to start the experiment, since July 1986 we have succeeded in the primary work for the month of July assigned by the higher echelons as follows:

1. Disbursing wages throughout the corporation according to the cadres' and workers' final production;
2. In connection with this, we inspected and did tests in order to look for experienced and outstanding workmanship by technicians and workers in order to raise the quality of the work. These two factors will be the primary ones for increasing quantity and quality in production.
3. We inspected managerial machinery and several work sections and work units to find ways to improve efficiency.

In the actual work we moved quickly and deliberately with determination and a high sense of responsibility. We set up an economic council with the director of the company as the chairman, the assistant director as the assistant chairman, and the representatives of party chapters, the trade union, the Lao women's organization, the youth union, the technical division, and the financial section as council members.

The actual results were the following:

Our first achievement was that we succeeded in calculating a wage rate based on final productivity as the number of kip per kilowatt hour produced by the Nam Ngeum hydropower plant, which sets the salaries for the whole company. This means that if we produce a lot we earn a lot. We also set up a detailed procedure for dividing up the whole salary fund of the company between each

factory and project and different work units, and for each factory and work unit to divide its salary fund, which they receive from the company to each individual worker.

The rate at which the salary fund is to be divided among each factory section and each work unit depends on several basic factors:

1. The amount of complexity of the work;
2. The results of the work plan assigned by the company;
3. The company promotion policy which emphasizes increased production and the main work for each period.

The division of the salary between individuals depends on the following factors:

1. Achievement in the work assigned to individuals;
2. The date and time for the workers' actual work based on the detailed work-day records given in the table.
3. The workers' other work, e.g., security work at factories, art work, sports, etc. In the collective salary fund, some money is put aside for remuneration for outstanding work units and outstanding individuals. There are two types of remuneration. The first is based on the number of work days and the actual achievements of a person. For example, Comrade A worked no less than 26 days in July and thus his achievement is considered the first type of outstanding work. Comrade B worked 21-25 days, and has the second type of outstanding work; Comrade C worked 15-20 days, and has the third type of outstanding work.

The second type of remuneration is based on expertise and outstanding workmanship by having to undergo testing. The second achievement is where we screen out the technicians and workers with expertise and outstanding workmanship. Those chosen in this way will receive remuneration. There is an extensive screening process each month. Last month was the first time we selected several targets for testing. They were in the Nam Ngeum hydropower plant, the station control system section, the network management application section, and the technical inspection section. The economic council of the section or factory did the serious preparatory work themselves. The objectives of the testing and the people who were to provide guidance on the contents of the testing were selected several days in advance so that they could have time to study. The two aims of the testing were technical theory and actual practice. Those who passed the test were put into three categories. The "super good ones" scored five points on both parts, the "very good ones" scored five points on the first part and four on the second part, and the "good ones" scored four points on both parts. A total of 39 workers participated in the testing. The results were 7 "super good ones," 11 "very good ones," and 11 "good ones." The rest, 10 people, were not qualified and scored ordinary grades. The remuneration for the different categories is the following: 1,000 kip for the "super good," 600 kip for the "very good," and 300 kip for the "good ones."

For the third achievement we inspected the management machinery in several work divisions, work units, and work sections. We found serious problems in several divisions and have looked for ways to improve them in the next phase in August 1986.

Even though we just started the testing in July 1986, we are able to assess the outcome as follows. In terms of political ideology, generally speaking the workers are pleased to see their enterprises advance to the new management machinery so that they can participate in it with determination in their enterprise work so as to promote the right of the workers to collective ownership toward the enterprise and then the standard of living for the workers will be improved. These three benefits are well guaranteed. These are the general opinions of the workers on the studies of the political lifestyle who expressed their views in the political report of the party Central Committee, which will be further reported to the Fourth Party Congress.

Actually, since July 1986 we have noticed a higher sense of responsibility by our workers as shown by greater punctuality in arriving at and leaving work and a decrease in their leaving work to go to the market on their own errands during office hours. There is also a clear increase in participation in night guard duty. The preliminary statistics confirm that previous work absences with and without excuses was 100 days per person, while now it is only 20 days per person, all of whom had valid reasons. Also, they are more serious in their implementation of the plenums.

In specialized tasks the work efficiency is higher. For example, previously it took 2 days to solve electricity problems, whereas now it takes only 1 day. Another thing that is obvious is that the production of electricity in the Nam Ngeum hydropower plant exceeded the plan by 21 percent, which had never happened before.

Prior to this test, the technicians and workers with outstanding workmanship only talked about other things during their free time, not about their specialized task. However, after the test they all were interested in enthusiastic discussions concerning their specialized task.

In terms of living standards, the workers' income has increased by 19 percent on the average as compared with the figures based on the old way of calculating (not based on final production). In the experiment with the new machinery, the government employees' stores, clubs, restaurants, barber shops, and sewing units did fairly well over the first 6 months. In July they had trouble in finding goods, but finally they exceeded the plan by 3 percent, particularly for meat, fish, and other food which was distributed to the workers 47 percent over the plan. Although these are primary achievements which help us to see the real benefits of the new machinery, what is most important is to see the electricity workers' correct understanding of the new machinery.

After making a serious effort to carry out the new machinery, especially as emphasized in July with the above results, of course we cannot ignore a number

of problems from a minority of workers who have not yet deeply understood the new machinery, as shown by the fact that they have not put all their heart into working with a high sense of responsibility as they should have during the actual experiment.

In August 1986, besides carrying out the two primary tasks of July, the disbursing of salaries based on final production and the testing for expertise and good workmanship by technicians and workers, we will go deeply into other tasks as follows:

- Reorganizing production;
- Setting up and improving schedules;
- Improving the calculation of prices for ready-made products;
- Improving the 1986 plan and the Second 5-year Plan (1986-90).

We believe that with the resolute decision of the party and government leaders in changing main economic units to business, and with the close guidance conducted by the Ministry of Industry and Handicrafts, we will certainly advance to the new management machinery according to the plan and the expected level as stated in the plenum of the Council of Ministers.

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## ARMY LOGISTICS SERVICE ADVANCES DESCRIBED

Vientiane PASASON in Lao 18 Aug 86 pp 2, 4

[Article by S Saipiang: "Ten Years of Achievements and Victories for Army Logistics"]

[Excerpts] In the past 10 years, army logistics has grown organizationally. Its role has been upgraded from being a logistics office with a limited area of duty into a general logistics department consisting of an administrative organization, many work sections, offices and regiments, and also factories, production units, land and water transport units, and cultivation and animal husbandry settlements. Many of these are new. Each unit has a party chapter, grassroots party committee, guiding and commanding committee, and party mass organization. These have become driving forces in guiding and have become leading models in all logistics work with a high sense of responsibility, such as all units in the logistics service, guidance cadre training and specialized-task cadres in various sections from the basic to the middle-level to the high-level, who carry out their work on a regular basis each year. For example, in the past 10 years, many groups of guidance and vocational cadres in different sections have been sent to study abroad, most of them being specialized-task cadres in security units.

This army branch has engaged in many tasks of storage. They constructed many storage areas for dried stuffs and oil where they have stored hundreds of tons of different items under a quota each year. They also organized many mobile surgical units waiting to respond when needed, along with many people's battle logistics networks in many places. They have strongly boosted production in factories, resulting in the accumulation of income from secondary production which involves thousands of kg of production.

In order to guarantee the standard of living, the logistics department has organized many sections in the production bases. For example, they improved the factories which were seized from the old regime and constructed a number of new factories. They set up many production units and cultivation and animal husbandry settlements. These production units earn a large percentage of the expected plan each year, resulting in improvement in the units step by step. The outstanding one is the salt evaporation plant which boils many thousands of tons of salt each year. Particularly in the past 2 years, it was able to disburse 100 percent of the salt to the army as needed. Moreover, the

embroidery factory, shoe factory, medicine production plant no 104, the animal food concentrate plant, the lumber mill, the Hat Siul settlement, and the Kong Toum settlement have boosted production each year and have succeeded in the expected figures set by the higher echelons by a large percentage. Besides making income for the government, the settlements are also self-sufficient in terms of rice and the food supply.

In terms of organizing and guaranteeing materials and health in the past 10 years, this army branch has received many tons of materials from the central echelons and from abroad and many tons from various localities including rice, traditional medicines, meat, fish, and otehr food. Many hundreds of tons of these supplies were disbursed to the army. Many hundreds of these items were transported to different units by truck, boat, and plane. In particular, the public health work of army logistics has carried out its duty with care and determination. They treated army units with both modern and traditional medicine. They also propagandized the three cleanliness slogans in units many times, and hundreds of people examined cadres and combatants in the units and patients in hospitals; over 232,000 people were treated effectively.

Along with this work, the army logistics unit also paid attention to raising the standard of living. In particular, they converted factories, settlements, and production units into enterprises which have been able to raise the income from production in quantity and quality step by step, such as rice and different crops for which over the past 10 years the harvest has been as much as 26,766 tons. They also organized animal exchange and purchase units and set up a number of retail shops in the organization around the Ministry of National Defense and in some localities in Vientiane Capital. They improved and constructed a number of new hospitals and also effectively guided and promoted the changing of cadres' and combatants' families to family economic construction.

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CSO: 4206/140



## BRIEFS

**MEDICINES PRODUCED FOR ARMY**--Vientiane, September 9 (KPL)--Workers of the army pharmaceutical plant successfully fulfilled their first semester plan. During this period, they produced 4,100,000 pills, 113,600 ampules, 25,000 litres of injectable solution, and 2,000 boxes of balm ointment. Moreover, the factory also turned out more than 6,000 kg of medicinal herb. [Text] [Vientiane KPL NEWS BULLETIN in English 15 Sep 86 p 1] /9365

**FOREIGN AIDED FISH PROJECTS**--Vientiane, August 28 (KPL)--Fish culture in the northernmost province of Phongsaly is being expanded. The provincial fish-rearing station reported that since early this month it has produced 32,000 fingerlings of different Asiatic carps and supplied tens of thousands of fingerlings to local people for collective and private culture. The station has also sent tens of thousands of common carp and grass carp fingerlings to neighboring provinces. The multiplication of Asiatic carps for culture has received assistance from FAO and UNDP. Hundreds of thousands of fingerlings are annually produced and distributed to all parts of the country to meet the growing demand for fish culture. In Vientiane, several fish-rearing stations are boosting the production of fry for increasing local demands. The live-stock breeding department last year published pamphlets introducing methods of fish culture. As a result, innumerable fish-ponds of both collective and private ownership have appeared all over the country. At present, the Tha Ngone fish-raising state farm, about 25 km north of Vientiane capital, has become another source supplying fish to the market. Every day, the fish-raising state farms, including the Nam Ngum fish-rearing project which formerly received Dutch government assistance, supply nearly ten tons of fish to Vientiane's markets. [Text] [Vientiane KPL NEWS BULLETIN in English 28 Aug 86 p 3] /9365

**FARMING IN VIENTIANE**--Vientiane, August 28 (KPL)--The Vientiane agricultural service has provided 125 tons of fertilizer, 7 tons of insecticide, and 200 insecticide sprayers to various production units in seven districts of Vientiane municipality to help them in their current rich cultivation. It has also organized a workshop on intensive cultivation for the farmers. So far, Vientiane municipality has completed rice transplanting of all of its 35,700 ha of ricefield. [Text] [Vientiane KPL NEWS BULLETIN in English 28 Aug 86 p 4] /9365

CHAMPASSAK RICE CULTIVATION--Vientiane, August 26 (KPL)--The agricultural service of the southern Champassak province has sent its cadres to various production bases to help farmers there tend their 89,000 ha of newly-transplanted rice seedlings. Champassak has 89,000 hectares of rice, the largest acreage in the southern part of Laos. Its 1985 rice-output reached 267,000 tons and its average rice yield was 3 tons per hectare. [Text] [Vientiane KPL NEWS BULLETIN in English 26 Aug 86 : 2] /9365

KHAMMOUAN ARMY RECRUITMENT--Vientiane, September 11 (KPL)--Since the beginning of this year over 100 young men in Nong Bock district, the central province of Khammouane, have joined the army on a voluntary basis. [Excerpt] [Vientiane KPL NEWS BULLETIN in English 11 Sep 86 : 1] /9365

KAYSONE SELECTED WORKS PUBLISHED--Vientiane, September 11 (KPL)--According to TASS, the Publishing House of the Soviet Union recently published a selection of works written by Kaysone Phomvihane, general secretary of the LPRP CC, from December 1975 to March 1986. Some of these works deal with the growing friendship and cooperation between Laos and the Soviet Union as well as other socialist countries. Some works have been translated into Russian for the first time. [Text] [Vientiane KPL NEWS BULLETIN in English 11 Sep 86 p 2] /9365

AID FROM INDIA--Vientiane, August 29 (KPL)--The Government of the Republic of India offered to the Lao PDR 55 waterpumps worth 6 million rupees (Indian currency) for agricultural purposes. The hand-over ceremony was conducted yesterday by Khamsing Sayakone, deputy-minister of agriculture, forestry, irrigation, and cooperatives, and Indian ambassador Shiv Kumar. Previously, the Indian Government had helped Lao with a milch cow-raising project and provided seeds and other necessities such as medicines, fabric, bicycles, sewing-machines, and educational materials. [Text] [Vientiane KPL NEWS BULLETIN in English 29 Aug 86 p 1] /9365

SAVANNAHKHET ARMY RECRUITMENT--Vientiane, September 10 (KPL)--A delegation of the Lao Scientific and Technical Council led by its President Soulinanthavong left here yesterday for Czechoslovakia. During its stay there, the delegation will exchange views with the Czechoslovak side on scientific and technical cooperation between the two countries and sign an agreement on this matter for 1986 and for the 1986-90 period. The Lao side expects to receive experts from Czechoslovakia to help in the training of Lao personnel in the fields of agriculture, industry, trade, and transport. The two sides will also discuss the exchange of scientific and technical information between the two countries, and the delivery of equipment to Laos for use in scientific and technical research. [Text] [Vientiane KPL NEWS BULLETIN in English 10 Sep 86 p 3] /9365

LUANG PRABANG-SRV PROVINCE TRADE PACT--A trade pact between Luang Prabang Province and its twin province Ha Son Binh of the SRV was signed on 16 August. The Lao side was represented by Mr Lao Moua, Luang Prabang trade company chief, and the Vietnamese side was represented by Mr Khang, assistant chief of the Ha Son Binh Import-export Company. The agreement states the terms of mutual trade cooperation for 1986-87 and the following years. Its aim is to improve the exchange of goods between the twin provinces. [Text] [Vientiane PASASON in Lao 21 Aug 86 p 1] 9884/12795



**SAVANNAKHET RICE PURCHASE, EXCHANGES**--In 1986, the year all the parties and the entire people began to implement successfully the Second 5-year Plan of the government, and the trade cadres of five districts--Songkhon, Khanthaboury, Champhon, Outhoumpohn, and Atsaphangthong--which are important in agricultural production, have been paying attention to improving and extensively expanding the trade networks of the production bases. They use cantons and agricultural coops as headquarters for purchasing and exchanging agricultural products as well as forest and ricefield products from the farmers. In the first 6 months of 1986 these districts were able to exceed last year's purchase and exchange plan and also gloriously met the purchase and exchange plan with a total of over 13,240 tons of rice. [Excerpts] [Vientiane PASASON in Lao 21 Aug 86 p 2] 9884/12795

**USSR AID AGREEMENT**--According to TASS, on 24 July the representatives of the LPDR and USSR governments signed an agreement for economic and scientific cooperation for the next 5 years (1986-90). It states that the USSR will provide aid to Laos in the economic development area such as the construction of roads, large bridges, and many different buildings. The USSR will also help Laos by setting up a construction and transportation organization and a machinery repair company and by applying technical science to many other areas of work such as public health, education, and culture. The USSR will also aid Laos in making use of different tasks which have already been successfully constructed, including training and improving cadres in many technical fields. Mr Vanthong Sengmeuang, minister of trade and also assistant chairman of the Economic, Science, and Technical Cooperation Committee of Laos, and Mr Konstantine Katuchev, chairman of the State Economic Cooperation Committee of the USSR, signed the agreement. [Text] [Vientiane PASASON in Lao 28 Jul 86 pp 1, 4] 9884/12795

**PEACE DELEGATION RETURNS**--Vientiane, September 17 (KPL)--A delegation of the Lao Committee for World Peace, Solidarity and Friendship with Other Nations led by its President Singkapo Sikhotchounnamali returned here yesterday after attending an international conference for a nuclear-free and peaceful Korean peninsula held in Pyonvyang on September 6-8. The conference, attended by 93 delegations from 80 countries and representatives of 32 international organizations, demanded the dismantlement of all U.S. nuclear weapons and military bases in South Korea. The participants adopted the speech of president Kim Il-song as an official document of the conference, which wholly supports the peace initiatives of the Soviet Union -- the Vladivostok speech and the declaration on the prolongation of its moratorium on nuclear explosions recently proclaimed by Mikhail Gorbachev. [Text] [Vientiane KPL in English 0904 GMT 17 Sep 86 BK] /12624

**120-BED HOSPITAL COMPLETED**--Vientiane, September 20 (KPL)--Thanh Hoa Province of the Socialist Republic of Vietnam has completed the building of a 120-bed hospital in its Lao sister-Province of Houa Phan, the provincial radio monitored here reported. The hospital was handed over to Houa Phan, a northwestern province, on Sept. 15, 1986. The construction of this health care center was in furtherance of a cooperation agreement reached between the two provinces. Thanh Hoa has also helped Houa Phan in improving its economic and cultural development. [Text] [Vientiane KPL in English 0916 GMT 20 Sep 86 BK] /12624

**PRK FINANCE DELEGATION DEPARTS**--Vientiane, September 21 (KPL)--A delegation of the Ministry of Finance of the People's Republic of Kampuchea led by its Deputy-minister Nguon Pen left here this morning ending its ten-day visit to Laos. During its stay, the delegation toured various factories, construction sites and cultural and historical places throughout the country. Seeing the delegation off at Wattai Airport were the deputy-minister of finance and other senior officials of Laos. Nguon Phansiphon, Kampuchean ambassador to Laos, was also present at the airport. [Text] [Vientiane KPL in English 0903 GMT 21 Sep 86 BK] /12624

**PHOUN SIPASEUT RECEIVES NEW AMBASSADOR**--Vientiane, September 25 (KPL)--Phoun Sipaseut, Politburo-member of the LPRP CC [Central Committee], vice-chairman of the Council of Ministers, and minister for foreign affairs, received here on September 24, Marian Fronczek, the newly appointed Polish ambassador to Laos. They discussed issues concerning the relations, cooperation and assistance between the two countries in the past as well as in the future. On this occasion, Phoun Sipaseut wished the Polish ambassador success in his mission here for the sake of the friendship and fraternal cooperation between Laos and Poland. [Text] [Vientiane KPL in English 0857 GMT 25 Sep 86] /12624

**TRADE MINISTER VISITS SRV**--Vientiane, September 24 (KPL)--Trade Minister Vanthong Sengmuang left here on September 23 to attend the 3rd conference of Indochinese trade ministers to be convened in the SRV from Sept. 24-29. The ministers are to review trade cooperation among the three nations since their second conference in Vientiane in August last year. They will also exchange views on further expansion of trade cooperation and sign agreements on goods exchange and payment between the three countries. [Text] [Vientiane KPL in English 0916 GMT 24 Sep 86 BK] /12624

**HIGHWAY No. 10**--Vientiane, September 24 (OANA--KPL)--"Route Number 10 linking Vientiane metropolis with its suburban districts will greatly improve public traffic in the area," said Khamphang Southammavong, acting general manager of the Vientiane bridge-road construction company. The route is 47.7 km long and 8 m wide. Its construction was started in Sept 1986 [date as received] and has been halfway through by now. This route includes 2 bridges 30 m and 40 m by 3.2 m and 2 secondary roads with a total length of 23 km. The acting general manager said that 20 km of the route will be asphalted by the end of next month and that the whole project is expected to be completed by 1987. When the route is completed, communication between Vientiane metropolis and its suburban districts will be guaranteed in all seasons through Route Number 10 and Highway Number 13, which converge at a point some 70 km north of Vientiane capital. [Text] [Vientiane KPL in English 0925 GMT 24 Sep 86 BK] /12624

**VIETNAMESE FINE ARTS EXHIBITION**--Vientiane, September 24 (KPL)--An exhibition of Vietnamese books and fine-art articles was opened here on Sept. 23 by the Vientiane Cultural service in conjunction with the Books Import-export Company of Vietnam on the occasion of the 41st national day of the Socialist Republic of Vietnam. Present at the opening ceremony were Thongsing Thammavong, alternate member of the LPRP CC, minister of culture of the Lao PDR, Vu Tien, Vietnamese charge d'affaires A.I., and other Lao and foreign guests. [Text] [Vientiane KPL in English 0928 GMT 24 Sep 86 BK] /12624

KPL DIRECTOR TO SRV--Vientiane, September 20 (KPL)--Sounteng Vongsai, director general of KHAOSAN PATHET LAO (KPL)--left here this morning for Ho Chi Minh City. B. Vongsai is leading a KPL delegation to attend a conference of directors general of the socialist countries' news agencies to be convened in Ho Chi Minh City from Sept. 22-25. Yesterday, B. Vongsai had a cordial discussion at his office here with BTA NEWS AGENCY's director general, Bofan Traikov, who stopped over here on his way to Ho Chi Minh City. B. Traikov, who arrived in Vientiane on Sept. 18, also had a discussion with Son Khamvanvongsa, deputy-head of the party CC's Propaganda and Training Board, chairman of the State Committee for News Agency, Newspaper, Radio and T.V. [Text] [Vientiane KPL in English 0902 GMT 20 Sep 86 BK] /12624

'ECONOMIC INDICATOR' ON RISE OF CENTRAL BANK CREDITS

HK241333 Quezon City BUSINESS DAY in English 24 Sep 86 p 2

["Economic Indicator" column: "CB Credits Up 16 Percent"]

[Text] Gross domestic credits of the Central Bank [CB]--consisting of domestic securities, loans and advances extended by the CB to public and private institutions--totaled P91,424.4 million as of last June, up 15.67 percent from P79,038 million during the same period last year, data from the CB showed.

The increase was mainly the result of the 18.59 percent rise in loans and advances which continued to be the principal form of credit of the CB, accounting for 87.33 percent of the total. Loans and advances grew from P67,325.5 million to P79,841.6 million. Of the total, P11,376 million was extended to the national government for budgetary purposes and P2,992.8 million for nonbudgetary purposes, P11,983.3 million to commercial banks, P4,949.1 million to specialized government banks, P4,273 million to local and semi-government entities, P4,062.9 million to thrift banks, P3,317.7 million to rural banks and P1,555.2 million to non-banks with quasi-banking functions.

Domestic securities, on the other hand, recorded an overall decline of 1.11 percent from P11,712.5 million to P11,562.8 million as issuances to the national government, local and semi-government entities, and private entities fell by 0.53 percent, 2.95 percent and 10.94 percent, respectively.

Meanwhile, credits extended under the CB's consolidated foreign borrowings program increased 6.54 percent from P33,161.8 million to P35,331.6 million. The largest borrower during the period was the Development Bank of the Philippines with an availment [as published] of P14,853.1 million.

Gross Domestic Credits of the CB  
As of June 1986 & 1985  
(In million pesos)

	1986	1985
Total	91,424.4	79,038.0
Domestic Securities	11,582.8	11,712.5
National Government	10,618.4	10,675.3
Local & Semi-Gov't Entities	494.1	509.1
Private Entities	470.3	528.1
Loans & Advances	79,841.6	67,325.5
Nat. Gov't-Budgetary	11,376.0	8,400.0
Nat. Gov't-Others	2,992.8	2,975.3
Local & Semi-Gov't Entities	4,273.0	950.1
Special Gov't Banks	4,949.1	3,581.9
Thrift Banks	4,062.9	4,106.4
Rural Banks w/o DD	3,092.1	3,308.3
Non-banks w/QB [Quasi Banking] functions	1,555.2	1,607.0
Commercial Banks	11,983.3	8,955.2
Rural Banks w/DD	255.6	279.5
National Gov't#	9,482.7	10,034.2
DBP	14,853.1	13,312.0
Commercial Banks#	10,988.2	9,807.9
Thrift Banks#	7.6	8.5

#Under the consolidated foreign borrowings program  
Source: Central Bank

/9738

CSO: 4200/19

GLOOMY PROSPECTS SEEN FOR LOCAL BUSINESS

HK241402 Quezon City BUSINESS DAY in English 24 Sep 86 p 3

[Article by reporter Julie C. Del Castillo]

[Text] Businessmen generally foresee "no great change" in local business conditions in the third quarter, with some describing prospects for improvement as "very gloomy" and "worse" than that in the first quarter.

The focus of serious concern among businessmen in the third quarter has shifted from the issue of import liberalization over which they raised a howl beginning the start of the year, to the perennial problem of high taxes and duties.

But aside from taxes and duties, which in the past have invariably been included among the factors industry blamed for its failure to achieve world competitiveness, businessmen are, this time, also complaining about labor unrest.

These are the findings of two separate flash surveys of various industries connected by the Philippine Chamber of Commerce and Industry (PCCI) in the first and second quarters. Both surveys reflected the growing apprehension of industry over the deteriorating labor-management relations, with some businessmen proposing the ouster of Labor Minister Augusto Sanchez to improve the present labor situation.

The second quarter survey had a total of 3,361 respondent firms belonging to a total of 14 industries or associations. Of the 14, seven reported that their sales volumes during the period were lower than that in January to March this year.

The seven were the Ceramics Association of the Philippines; Council of Engineering Consultants of the Philippines; Metalworking Industries Association of the Philippines; Philippine Constructors Association; Philippine Electrical Suppliers and Manufacturers Association, Inc.; Philippine Office Machine Distributors Association; and the Truck Manufacturers Association of the Philippines.



Even the Confederation of Filipino Rice and Corn Associations, Inc. and the Drug Association of the Philippines, Inc., which both supply basic commodities (rice and corn, and drugs, respectively) said there was no change in the levels of their sales volumes, reflecting the poor market conditions that continued to prevail during the quarter.

While the survey results did not indicate specific figures, the majority of the respondent firms also reported higher inventories of finished goods and raw materials, although prices of goods ranged from "higher" to "lower" compared to the previous quarter, depending on the sector.

The Economic Development Foundation (a research and consultancy firm), the Philippine Association of Flour Millers, Inc. and the Tire Manufacturers Association of the Philippines said their prices were comparatively lower during the quarter.

On the other hand, the Drug Association of the Philippines, the Philippine Interisland Shipping Association and the Philippine Office Machine Distributors said their prices during March to June were higher than in January to March.

Capacity utilization among the 14 sectors averaged from about 14 percent to 60 percent for most sectors, with the Economic Development Foundation registering the highest utilization rate during the quarter, averaging about 81 percent for the three months.

Despite the general over capacity problem, most firms said they maintained employment at the previous quarter's levels, although most firms experienced more labor strikes and lockouts.

Similarly, the first quarter survey results indicated that most industries suffered from lower sales volumes, had either the same or lower employment levels but more strikes and lockouts, and increased the prices of goods. Capacity utilization among industries also averaged 41 percent to 60 percent, according to the PCCI survey.

However, during the first quarter, businessmen ranked the issue of opening Philippine markets to imports as their main problem. This was followed by high taxes and duties; cost/availability of raw materials; labor-management relations; and low or poor demand for local products.

In the second quarter, businessmen ranked their major difficulties as follows: high duties and taxes; labor situation; import liberalization; low or poor demand; and cost/availability of raw materials.

As expected, the businessmen had varied proposals for improving business conditions for their respective industries. The common suggestions included a reduction of taxes and duties and bureaucratic red tape; the immediate privatization of government-owned companies; and a deferment of the import liberalization program.

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CSO: 4200/19

## GOVERNMENT ADOPTS 'URGENT POLICY' TO SHORE UP RICE PRICES

Bangkok BANGKOK POST in English 25 Sep 86 p 13

[Text]

**TREATED as an urgent policy, the Government will implement fiscal and monetary measures to help shore up the prices of paddy and rice, Deputy Finance Minister Dr Supachai Panitchpakdi said yesterday.**

Dr Supachai yesterday called a meeting with two senior officials of the Bank of Thailand to jointly work out a package of measures, comprising both fiscal and monetary instruments, to implement the policy.

The two senior central bankers are Vijit Suphinit, director of the Banking Department, and Ekkamol Khirawat,

director of the Commercial Bank Supervision and Examination Department.

Dr Supachai said after the meeting that the package of measures would not only help reduce the financial burden of farmers and rice millers, but would also help provide a financial source to the rice millers and exporters.

Dr Supachai said that the Finance Ministry was considering reducing the business tax of 1.65% imposed on rice mills and also the income tax withheld at the source at the rate of 0.75% of each rice mill's gross income.

The two categories of taxes have increased the cost of rice by about 80 baht a ton.

If these two tax rates were reduced, it would help cut the cost of the

rice, the deputy finance minister said.

Mr Vijit said the Bank of Thailand would be responsible for helping to provide cheap-cost financial sources to farmers, rice millers and exporters.

Currently, he said that the central bank had set about 3,000 million baht as facilities to help finance the stocks and exports.

"But it is the Finance Ministry's policy to provide more financial assistance to the rice sector. The Bank of Thailand will also try to provide more," he said.

He said that the central bank would provide the financial assistance from its rediscount facility to the rice sector.

The rediscounting facility amounted to 33,700 million baht, but only about 17,000 million baht has been ex-

tended, so, there are a lot of funds available for assistance to the rice sector," he said.

If it is decided to provide financial sources to farmers by using the rediscount facility, the Bank of Thailand will study the interest rate to be charged.

Currently, commercial banks charge their clients 9% for the discount facility while they, themselves, are charged 7% by the central bank when seeking rediscount.

However, Mr Vijit said that another package of measures should also be implemented so as to ensure that the new financial assistance are directed to the farmers.

The Bank of Thailand will also hold talks with commercial banks to ask them to help launch the new programme.

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CSO: 4200/17



THAI DEFENSE MINISTER STOPS BELL COPTER DEAL

BK210613 Bangkok BANGKOK POST in English 21 Sep 86 pp 1, 3

[Text] Defence Minister ACM Phaniang Kantarat has rejected the Royal Thai Navy's request to buy five Bell 215St helicopters worth about U.S. \$33 million (858 million baht) directly from its manufacturer, Bell Helicopter Textron Inc.

The minister instructed Navy Commander-in-Chief Adm Nipon Sirithon and a 20-man naval team when they met last Friday that while the Navy was free to choose any type of helicopter it wanted, it still had to follow Foreign Military Sales [FMS] sales procedures in making the purchase.

This means that while the Navy may still buy Bell 214STs, it must follow the FMS procedures which will raise the aircraft price because of a 15-18 percent administration fee imposed by the U.S. administration on all purchases of non-inventory equipment.

The Bell 214ST is not on the U.S. inventory list of standard equipment entitled to long-term credits under the FMS program.

ACM Phaniang's instruction, therefore, practically killed off the Navy's plan to buy the 214STs.

To comply with the minister's instruction, the Navy will have to apply to the U.S. Defence Department through JUSMAGTHAI for permission to buy noninventory equipment through FMS procedures -- a process which will take at least a few months.

The Navy will also have to reassess the actual cost of the helicopters.

The Joint United States Military Advisory Group thailand (JUSBAGTHAI) has agreed to the purchase of the first two aircraft but has warned that no more approval would be given.

ACM Phaniang's instruction is believed to be in direct response to a U.S. warning that excessive use of FMS credits for direct commercial purchases may threaten future U.S.-Thai arms deals.

A highly-placed ministry source said yesterday that ACM Phaniang gave the instruction after Adm Nibhon insisted on buying the Bell 214 STs and expressed his hope to sign the contract with Bell Textron before its offer of validity date expires at the end of this month.

The source said ACM Phaniang's instruction was probably a result of a meeting between Prime Minister Prem Tinsulanon and U.S. Ambassador William A. Brown on August 29.

Mr Brown strongly urged the Armed Forces to reduce its direct purchases of equipment through the use of FMS credits.

The source said Mr Brown warned that failure to do so may cause the U.S. to cancel all exemption privileges for Thailand to use FMS credits to buy commercially available military equipment.

Under the existing system, the FMS credit is normally used for government-to-government purchase of military equipment in the U.S. inventory. Government funds have to be used for direct commercial purchases from U.S. manufacturers.

However, an exemption clause allows direct commercial purchases of "non-standard" military equipment directly from manufacturers.

Mr. Brown had handed a letter to Gen Prem, pointing out that the Armed Forces' increasing use of the exemption clause might force the U.S. to delete the clause from the existing agreement.

The letter warned that Thailand would have to minimize such direct commercial purchases of military equipment if the exemption clause was to be retained.

A highly-placed military source said the Armed Forces was likely to heed the U.S. warning and there would be a drop in direct commercial purchase of military equipment from the U.S. under the FMS program.

The source said a similar warning was made by former U.S. ambassador John Gunther Dean in late 1984 to Gen Prem, who was then the minister of defence.

Mr Dean's warning came as the Army insisted on buying Bell helicopters instead of Sikorskys which are standard U.S. equipment.

A U.S. source pointed out that the FMS requirement that Thailand buy military equipment on the U.S. inventory list would enhance standardization and inter-operability between Thai and U.S. equipment, encourage joint Thai-U.S. defence planning as well as facilitate procurements of standard U.S.-Thai military equipment.

The chief of JUSMAG-THAI also warned the Royal Thai Air Force recently that no more direct commercial purchases may be made with FMS credits.

A military source said the Army had also bought Bell 214 helicopters, ammunition, grenades, grenade launchers, armored personnel carriers and machine guns through commercial sources with FMS credits. It is also negotiating to buy a radar system.

He added that a blanket ban on all direct commercial purchases with FMS credits would undoubtedly cause problems for the Armed Forces.

BUSINESSMEN OFFER TO SELL SUGAR TO USSR

BK200438 Bangkok THE NATION in English 22 Sep 86 pp 1, 2

[Text] A senior Soviet diplomat told representatives of the Thai sugar industry yesterday that their proposal to sell the Soviet Union 22,000 tons of sugar would be considered and further talks would be held on Oct. 16.

The Thai proposal was a reaction to the recent sale of U.S. sugar to China at a price below the prevailing world price, and the possibility of a further sale of over 200,000 tons.

Six representatives of the Thai sugar industry went to the Soviet Embassy on North Sathon Road and met Soviet Charge d'Affaires Boris Zhiliaev [spelling as published], who told them that this year the Soviet Union had already bought 240,000 tons of Thai sugar through brokers. Zhiliaev said the Soviet Union was ready to discuss trade in sugar or any other goods through government-to-government and diplomatic channels.

He said he would convey the Thai offer to sell 22,000 tons through his commercial attache to Moscow and details could be discussed later. The proposed volume is small, he said, and asked the Thai delegation to understand that any deal would be dealt with by the government in Moscow and that some time would be needed.

An opportunity for further discussions would arise when the Soviet Union holds a trade exhibition at the Hyatt Central Plaza Hotel on October 16, when Soviet trade representatives would be present, he said.

Zhiliaev said the Soviet Union understands the problems of world trade which is at present in crisis -- particularly agriculture -- and it has a political approach which could allow other countries to avoid the obstacles of protectionism. That, he said, is political assistance that the Soviet Union could give. He also referred to Soviet attempts to participate in GATT talks which has been rejected by GATT signatories.

He said it was not yet clear how much sugar the Soviet Union would want to import. This would have to wait until the October-November beet harvest season. The Soviet Union produces sugar from beet and buys it from Cuba at special prices.

The six Thai delegates consisted of Dr Saeng Sanguanruang, managing director of the tripartite Thai Cane and Sugar Corp, Chanida Atsadathon from the Thai Sugar Producers' Association, Wichai Chinthammit from the Thai Sugar Manufacturing Association, Sithiphon Kroekkitaya, deputy secretary general of the United Association of Thai Sugarcane planters, and Yong Chusinpakun and Yongyut Tantiphiriya from the Thailand Sugarcane Planters' Federation.

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CSO: 4200/16

## COMMERCE OFFICIAL ON TRADE WITH JAPAN

BK240323 Bangkok THE NATION in English 24 Sep 86 p 17

[Text] Much of the increase in Thai exports to the leading industrial nations has been possible because of the special concessions on import duties granted to developing countries under the Generalized System of Preferences (GSP).

In a paper presented to a conference on the "Challenge to Thai Exports" organized by Thammasat University yesterday, Chatchawan Sukitwanit, deputy director general of the Commerce Ministry's Department of Foreign Trade, outlined Thailand's proposals on the Japanese GSP.

Thailand has been exporting under the Japanese GSP scheme since it started operation in August 1971. The first phase of the scheme was completed in March 1981. Thailand is appreciative of the various improvements made by Japan and her extension of the GSP scheme for another 10 years, effective from April 1, 1981.

As a result of greater awareness by Thai manufacturers and exporters of the benefits from the GSP as well as improvements made by Japan, Thailand's exports under GSP has been on an uptrend. Based on the statistics on issuing the certificate of origin, total Thai GSP exports to Japan rose from U.S. \$23.3 million in 1972 to U.S. \$161.38 million in 1984, an increase of 595.6 percent.

The EEC continued to be Thailand's largest export market for products under GSP, followed by the United States and Japan.

In 1985 (Jan-Sept), Thai exports under GSP to Japan accounted for U.S. \$154.54 million or 18.1 percent of our global GSP exports or 21.4 percent of Thailand's total exports to Japan. The figure of U.S. \$154.54 million represented an increase of 17.15 percent over that of U.S. \$131.92 million during the same period in 1984.

At present, Japan's GSP scheme only covers 75 CCCN customs classification headings of agricultural products. Thailand as an agricultural country, relies heavily on her agricultural exports, but many agricultural items have not been granted preferences under Japan's GSP, e.g. frozen chicken (CCN 02.02); sugar (CCN ex 17.01); ethyl alcohol (CCCN ex 22.08);

frozen fish (CCCN ex 03.01); cuttle fish and squid, fresh, chilled or frozen (CCN ex 03.03); canned pineapple (CCN ex 20.06).

As Japan is a very important market for these products, and these products are the major export earning items contributing greatly to the Thai economy, it is imperative that the Japanese GSP should be extended to these products.

According to Japan's new GSP scheme, tariff heading No. 55.09, woven fabrics of cotton, has been excluded from the list of industrial products eligible for GSP treatment since April 1, 1981. In view of Thailand's interest and current production capability, the withdrawal of this item from the GSP list has adversely affected textile industry in Thailand. It is, therefore, requested that Japan consider the re-eligibility for GSP treatment of this product.

Under the present scheme, Thailand is not able to fully utilize the benefits of Japan's GSP due to the high GSP tariff rates for a number of products. Thailand, therefore, proposes that further tariff reductions be granted to the list of products of export interest to Thailand, e.g. octopus, fresh, chilled or frozen (CCCN ex 03.03); fish, prepared or preserved (CCCN ex 16.5); crustaceans and mollouses; prepared (CCCN ex 16.05); young corn cobs in can, bottle or pot, not containing added sugar (CCCN ex 21.07).

Thailand's export to Japan is limited by the low ceiling and maximum country amounts imposed on these products where ceilings have been set. The quotas are often utilized within the first few months of each fiscal year indicating that the value allocated for these items is insufficient.

In the examination of Thailand's past performance, it is noted that dextrans and dextrin glue (CCCN 35.05), tyres tubes (CCCN 40.11), jute twine (CCCN 59.04) and jute bags (CCCN 62.03) are suspended from preferential treatment long before the end of the fiscal year.

Thailand would, therefore, like to request that larger and more flexible administration of ceiling quotas be applied to these items.

Thailand is in need of further technical assistance from the Japanese government to improve the utilization of the GSP as follows:

It is requested that Japan provide technical assistance to the Thai GSP authority in charge of issuing the certificate of origin, regarding Japanese GSP administrative details, rules of origin and CRO, especially at the beginning of each fiscal year when the scheme is revised. The assistance may be given in the form of seminars, workshops, meeting or short-term training courses, etc. The Thai authorities would have the opportunity to acquire full knowledge of the scheme, discuss and seek solutions to their problems and to exchange ideas with the Japanese customs authorities and observe how the matters are treated by them. This is a very efficient way to avoid problems and in promoting the utilization of GSP benefits.



-- Thailand would also welcome assistance from Japan in conducting GSP seminars. These seminars should be organized from time to time for the benefits of government officials concerned and interested exporters.

-- Moreover, in administering GSP, Thailand, like many other countries, is facing difficulties in tariff hearing classification. It has become very difficult to advise our exporters about the correct classification. We have found that, in some cases, the same items are classified differently by the Japanese customs officers. The training of GSP officials in this regard is needed and should be held annually in order to widen the knowledge of GSP among the officials before helping their exporters in utilizing the GSP scheme.

-- In order to ensure effective utilization of the ceiling quota, it is also proposed that Thailand be kept posted on up-to-date information on quota balances preferably on a monthly basis.

-- Japan's GSP handbooks prepared by the Ministry of Foreign Affairs of Japan are found to be very useful. At present, documents on Japanese GSP are always sent to the Thai authorities concerned very late. In order to facilitate the working of the GSP, Japan is requested to send directly to the Thai authorities concerned the documents and information so that they can proceed on the basis of the new regulations without unnecessary delay.

GSP can be considered as a vital tool for export promotion and more equitable trade. Japan is regarded as an important partner in Thailand's economic development. It is hoped that Japanese authorities will consider the above requests and recommendations favorably in order to increase the benefits derived by Thailand from the Japanese GSP scheme.

/12624

CSO: 4200/16

PAPER SAYS TRADE GROWING WITH DPRK

BK210612 Bangkok THE NATION in English 21 Sep 86 p 2

[Text] North Korea is expected to increase its imports of Thai goods from about US \$60 million last year to about U.S. \$100 million next year, Deputy Prime Minister Phichai Rattakun said Friday.

Phichai made the remarks following a meeting with Kuala Lumpur-based North Korean Ambassador Yi Snag-yol, who is also accredited to Thailand, at the Government House. Yi paid a courtesy call to Phichai following his recent appointment to Malaysia. Yi had earlier called on Deputy Prime Minister Maj Gen Chatchai Chunhawan.

Phichai said that the bilateral trade with North Korea was nominal some two years ago but had risen to about U.S. \$60 million as the socialist country last year imported about 250,000 tons of maize, 200,000 tons of rice and 100,000 tons of tapioca from Thailand.

Phichai said that North Korea would increase its imports of sugar, rice and maize from Thailand this year.

The deputy premier also warned Thai exports to secure guarantee from Western countries for the opening of LCs (letters of credit) for trade with the socialist country, whose foreign exchange reserves are limited.

Phichai said that North Korea wanted to establish an embassy here but the Thai Government has too limited a budget to set up its mission in Pyongyang.

Thai authorities have told North Korea that the volume of bilateral trade was still too low to justify the establishment of embassies.

Phichai visited North Korea about two years ago. He said he has been urging the North Korean leaders and officials to increase imports of Thai goods.

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CSO: 4200/16



PAPER VIEWS PROBLEMS IN RELATIONS WITH BURMA

BK220148 Bangkok THE NATION in English 22 Sep 86 p 2

[Text] The controversial decision by Commerce Minister Surat Osathanukhro to extend permits to two local firms to import logs from the rebel-controlled areas inside Burma has brought into focus the hypersensitive nature of the Thai-Burmese relations.

It has also greatly embarrassed the Prem Government, particularly Foreign Minister Sitthi Sawetsila who has been credited for bridging the gap between the two neighbors. As the leader of the Social Action Party, to which Surat belongs, Sitthi has constantly emphasized that there would be a better cooperation and coordination between the Foreign Ministry and other economic ministreis. So far, the Foreign Ministry officials refused to comment on this issue on grounds that it was the Commerce Ministry's decision to issue the permits without seeking any consultation from them.

How the government will handle this issue will be closely followed by the Burmese Government, and it could be the barometer of the future direction of the Thai-Burmese amity.

The controversy also comes at the time when Deputy Foreign Minister Praphat Limpraphan is preparing to go to Rangoon for the third meeting of the Thai-Burmese Border Committee to discuss ways and means to solve the common border problems and seeking broader cooperation between them.

There are several soft-spot issues which the two governments have to work. Among them are the minority rebel problem, the border problems, including the demarcation line and smuggling, and the cooperation to suppress drug trafficking in the areas straddling Thailand and Burma.

In the past two years, fighting between the Burmeses forces and the Karan rebels have intensified but the spillover into the Thai territory, which in the past had caused damage to property and human lives on the Thai sides, has subsided. The Thai Government, meanwhile, has reiterated to Burmese leaders that Thailand has no policy to support the Karen rebels either by providing arms or territorial sanctuary to them.

An informed source told THE NATION that since the later half of 1984, the Thai army attache at the Thai Embassy in Rangoon has not been receiving any complaints from the Burmese army about the Karen rebels using the Thai territory. Before that, such complaints to the embassy were frequent. During Sitthi's visit to Rangoon in February, he also reassured the Burmese Government that the Thai Government will try every possible way to prevent the Karen rebels from using Thailand for their activities.

Smuggling activities along the Thai-Burmese border are rampant not only with the consumer products but the so-called strategic products as well. Since both countries have not yet worked out the import-export procedures along the border, it would be hard to eliminate the smuggling.

Such proper procedures are needed to discourage illegal trade and at the same time to facilitate the two-way trade. With such an established rule, Thai products will be cheaper and more competitive in Burma vis-a-vis products from India and China.

Diplomatic sources said that the Thai Government has to step up its border patrol operations of more than 2,000 kilometers to prevent smuggling and stiffening the penalties for the Thais engaging in the illegal activities.

Part from the economic ties, the cultural relations between the two countries have been almost non-existent. When Praphat goes to Rangoon, he is expected to urge the Burmese Government for more cultural contacts with Thailand. Burma has maintained several cultural agreements with its neighboring countries of Bangladesh, India and China. It has no cultural agreement with Thailand.

Thailand has made a request to Burma to send a cultural troupe to participate in the 60th birthday celebration of HM the King next year. Rangoon is positive about it.

Although the relations between Thailand and Burma have improved, particularly after the visit to Burma by HRH Princess Sirinthon, but the overall ties remain very business-like. However, if Surat does not revoke his order, it would dampen the whole relations with Burma, especially on attempts to adjust the demarcation line on River Sai and River Ruak.

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CSO: 4200/16

PREM REPORTEDLY HALTS BURMESE LOG IMPORT PLAN

BK230133 Bangkok THE NATION in English 23 Sep 86 pp 1, 2

[Text] The prime minister has put the breaks on Commerce Minister Surat Osathanukhro's decision to allow the import of logs with no certificates of origin from the Burmese side of the border. Gen Prem Sinsulanon has summoned Surat to tell him the deal "must be halted."

Highly informed sources told THE NATION yesterday that the premier, who had during the previous government rejected a similar request, summoned the commerce minister late last week for a meeting on the issue.

The prime minister was firm that the minister must "untie the knot" the commerce minister had created.

In other words, according to sources in the commerce and foreign affairs ministries, Gen Prem gave out the instruction to the commerce minister to revoke the permits already given to Rungmit Mining Co Ltd and Saha Kasikitwisawakan Co Ltd to import timber from Burma.

The permits kicked off a controversy since the firms had requested that the import be made without having to produce certificates of origin.

Since the logs had been felled by Karen rebels, it has been feared that the Burmese central government will find such a move politically unfriendly.

The Counter Corruption Commission (CCC) has at the same time launched an investigation into the controversy over the issuance of the permits. The total value of the logs covered by the permits this time was said to have been estimated at about 100 million baht.

The issue has threatened to escalate into a political bomb with the opposition parties holding on a way to exploit it to rock the government.

A no-confidence move is being considered as an opposition MP filed a motion calling for the House to debate the issue last Friday. A four-man fact-finding team of the United Democratic Party (UDP) also took a trip to Burma to gather first-hand information on the same evening.

Surat issued the license to Rungmit to import 15,000 pieces of logs of yang wood or 35,000 cubic meters, worth 21.7 million baht and 10,000 logs

of mixed wood or 25,000 cubic meters worth 11.25 million baht. Saha Kasikitwisawakan's license permitted the firm to bring in 12,000 [metric] tons of teak, or 20,000 cubic meters worth some 40 million baht.

But Sarat's secretary, Chiramit Chiamcharoen-udomdi, told reporters that the commerce minister has not reconsidered the two firms' applications for import licenses. He said that the Customs Department, the Forestry Department, the Third Army Region and the Fourth Army Region have not raised objection to the import permits. He insisted that Gen Prem did not summon Surat to a meeting last week.

Surat was invited by Government spokesman Michai Wirawaithaya to a news conference at the end of the Cabinet meeting today, touching off speculation that he would make clarifications on the timber deals. But Chiramit dismissed the speculation and said that the minister would field questions on the commodity policy and the General System of Preferences.

"He is not going to make any clarifications on the matter because it has been correctly handled," the minister's secretary said.

Highly-placed sources in the Commerce Ministry said that during the Cabinet meeting on September 13, Gen Prem questioned Surat on the issue in the presence of the other Cabinet members. Surat, however, failed to make any clarification.

On the following day, Surat told reporters that the permission granted for the imports served the national interests which must take precedence over the Burmese feelings. If the logs were left on the border, they would be a waste, he said.

He said that it was debatable whether the logs were cut inside Burma or Thailand.

Meanwhile, Lop Buri MP Opat Phonsin said that his United Democratic Party (UDP) will hold a two-day seminar beginning today on the controversial issue at the residence of Col Phon Roengprasoenmit, the chairman of the party's advisory committee.

He said the seminar was aimed at collecting information for use in a House debate on the issue requested by Prem Malakun Na Ayutthaya.

He denied that the party had submitted evidence on the issue to the government.

Informed sources said that during a recent UDP meeting, former Commerce Minister Koson Krairoek said that imports of the logs would affect the Thai-Burmese relations and promote log poaching at reserved forests on Thai soil. Koson was commerce minister when the two firms submitted applications for licences to import the timber a few years ago. The requests were then rejected.

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CSO: 4200/16

## LIBERALIZATION OF TRADE WITH LAOS VIEWED

Bangkok THE NATION in English 16 Sep 86 p 5

[Article by Kavi Chongkittavorn]

[Text]

RELIEF and cautious optimism are perhaps the basic impressions both Thailand and Laos have shared during the exchanges of diplomatic euphemism in the past few weeks. But to really turn this glimmer of hope into a fresh start, especially in the area of strained trade relations, both sides of the Mekong River must prove themselves with deeds.

Thailand, which has been the major exporter to Laos, must substantially modify its trade regulations. At present, the complicated rules and trade restrictions have slowed down the overall bilateral trade, which was once described as the milestone of the Thai-Lao ties. The down-hilled trend is justified in the name of national security interest.

Bangkok has always enjoyed trade surplus in its trading with Laos for the past three decades. However, when Vientiane turned into a socialist economy in 1975 along with changes in its economic structure and policy, the volume of two-way trade began to decline. This resulted partly due to the Laotian government's attempt to reduce spending and save up foreign exchanged. At the same time, Bangkok also put a lid on the non-controlled trading across the Mekong River.

The reluctance to extend free trade to this neighbouring country stems from fear that socialist Laos could use the so-called strategic goods, which could have military applications, to enhance its military potential. This line of thinking still prevails among the security-conscious Thai leaders and is hard to get rid of given the current level of the Vietnamese influence over Laos.

A total of 139 companies have registered with the Commerce Ministry wanting to trade with Laos. Only a few

companies have maintained active trading; the rest have given up due to the stringent regulations and the 1981 announcement of the embargoed strategic goods.

Now the ministry enforces two separate lists of banned products. The first list is the prohibitive products with direct military applications such as fire arms, ammunitions and 205 other military related items. The second list is the controlled exporting commodities, which covers 276 items. These items could have indirect military applications during wartime, and could be utilized for the purpose of socio-economic development during peacetime. They include petroleum, lubricant, essential products to build transportation systems, communications and constructions such as steel, power generators, machineries, electric appliances, vehicles and others.

The Thai authorities have shown some leniency, especially early this year when the provincial governors along the Thai-Lao border were allowed to authorize sales but not more than 20,000 baht worth of controlled products in their areas. In the past, only governors of Nong Khai and Mukdahan enjoyed such privileges. But such measures are insufficient to stimulate trade. Both provincial authorities and private sectors have called for the government to increase the sale value from 20,000 baht to 50,000 baht. So far, there is no sign of this happening.

Provincial governors presently can authorize a list of 12 controlled products ranging from textiles and garments, medicine, leather products, glutinous rice to monosodium glutamate. In fact, these controlled items comprised key exporting commodities to Laos. Last year alone, the total of 348 million baht worth of Thai



imports to Laos, 48 million baht worth of glutinous rice, 37 million baht worth of textiles and garments, and 24 million baht worth of medicine were sold.

In January, the Cabinet agreed to have the Foreign Ministry, Interior Ministry and Commerce Ministry to jointly review its current trade policy toward Laos to boost the trading across the Mekong River. The review leading to the reduction of the embargoed products is imperative if Bangkok wants to woo back Vientiane. In fact, the concept of strategic goods is so broad that it is in the mind of the beholders.

As part of the continuing efforts to build and develop its socialist economy, Laos is constantly in great need of imported products. But given the Thai trade restrictions, Laos has gradually turned to Vietnam and the Soviet bloc nations. For those consumer goods not available in these countries, Vientiane has been able to place orders directly or indirectly to Japan, Hong Kong and Singapore instead of buying from Thailand. Ironically enough, some Lao imports still need to be transported through Thailand.

Since security interests and political elements play such an important role in determining the trade policy toward Laos, security-conscious officials maintain that the control over essential key exports is indispensable. They said that such restrictions can present any Laotian plan to stockpile petroleum or security-risk commodities and stop Laos from using them to threaten Thailand. In part, they contend that the current trade policy is the product of Thai reaction toward Laotian hostility in the past years, particularly the numerous border clashes, verbal attacks on Thai leaders and the latest three-village dispute of Baan Klang, Baan Mai, and Baan Sawang, in regards of which both sides have made it known in the past weeks that it should better be forgotten and start the friendship anew.

Another way is to increase border checkpoints along the border from the current level of three to eight as the Laotian government has been requesting. Vientiane officials said that increased border passes could facilitate trade and save both time and money, given poor transportation systems in certain areas of the country. Otherwise, all trade and people contacts could be done only through the existing three points at Tha Phaekananvon, Tha Sadet and Mukdahan Province.

The Thai government is currently contemplating whether to open more passes in Chiang Khom, Chiang Kham, Tha Mek in Ubon Ratchathani, Amphoe Boon Karn in Nong Khai and Nakhon Phanom. More checkpoints would also mean more officials to take care of the border areas. Certain Thai officials are

concerned that freer access to Thailand could increase infiltrations from the Laotian side.

Given the historical closeness between the northeastern provinces and Laos, they are even more hesitant.

With or without opening more border checkpoints, unofficial trading continues unabated. Without the official channels, smuggling has become the main trading practice which wastes away millions and millions of baht in revenue for the government. Proper and more open trading with Laos is more beneficial because the government will know what items passed the border. As it stands now the smuggling business has increased in size and covers most embargoed products.

The trade liberation would also be timely as the Laotian government has recently adopted a new form of economic management, which gives autonomy of production centres in all sectors of the economy. The new policy can stimulate the much-needed economic development. It would also allow each Laotian provincial authorities to sell and buy essential goods without going through the central government.

During the hey-day of Thai-Lao trade ties, the Thai products used to dominate the Laotian market as high as 80 per cent. That was before 1975. The market proportion has since decreased to as low as 27 per cent as in 1984, during the peak of the three-village dispute, and slowly picked up to 50 per cent last year. A Thai embassy official predicted that trade with Laos this year will increase greatly.

There is a strong prevailing sense here, except the security-oriented officials, that the Laotian government would indeed like to improve its ties with Thailand. Among the Thai authorities, they have some patching-ups to do to convince each other that the trade liberalization with Laos will not put Thailand's security under any threat or jeopardy. Otherwise, both countries would probably require more time to negotiate some modest steps to improve ties.

If the small steps outlined above can be realized, it will definitely cap a slow process of reconciliation between Thailand and Laos and signify the start of a new vigorous drive for full re-normalization of the two "brotherly neighbours." The long-established and deeply entrenched mutual economic interest seems too beneficial for both countries to be indifferent any longer.

However, there is one caveat. We have to realize that even with formal ties restored with Laos in the near future, the golden age of Thai-Lao amity is not likely to return. Too much has happened during the past decade to be put in a back burner. For one thing, Laos, with great pains, has discovered that its land-logged country



can survive a trade boycott by its blood brother with some assistance from socialist friends. Nevertheless, the improvement of relations is imperative to halt the Thai-Lao division to drift any further. The next few months are crucial for it will prove whether these two closely knitted nations can turn the diplomatic chit-chat into a pace-setter in an effort to cement ties with one another.

**Statistics of the Thai-Lao trade from 1975-85 (in million baht)**

Year	Export	Import	Volume	Balance of trade
1975	254.3	102.3	356.6	152.0
1976	376.1	46.7	422.8	329.0
1977	291.2	48.3	339.5	242.9
1978	360.4	56.4	416.8	304.0
1979	648.5	53.4	702.4	594.6
1980	910.5	37.2	947.4	873.3
1981	586.0	17.5	603.5	568.5
1982	969.0	33.43	1,002.43	975.57
1983	762.13	27.24	789.37	736.89
1984	389.50	27.58	417.08	361.92
1985	397.95	29.23	427.18	368.72

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CSO: 4200/18

## 'GO-AHEAD' EXPECTED FOR EASTERN SEABOARD PLAN

Bangkok BANGKOK POST in English 20 Sep 86 p 11

[Text]

THE Government is expected to go ahead with the Eastern Seaboard Development Programme, particularly the Laem Chabang deep-sea port, Deputy Finance Minister Dr Supachai Panitchpakdi said yesterday.

He said the investment of 4,000 million baht in the port will be made jointly with foreign countries.

He added that following the port investment are other investment projects, including the industrial estate, in which about 1,400 million baht will be invested.

He said the investment in a new port is necessary as the Bangkok Port at Klong Toey is now not enough to serve all the vessels passing through it.

Asked about the other deep-sea port in Mab Ta Phud, Dr Supachai said it is different as this will be a bulk container port, in which heavier investment is required, so "the implementation of the Mab Ta Phud port can be delayed, but this will be discussed by the newly-appointed Eastern Seaboard Committee."

Regarding the plan to boost exports, he said a system of cooperation among the government agencies concerned will have to be set up. An export promotion centre should be established, he added.

He also said the current financial institutions system should be improved so that financial institutions can lend more to export trading firms. "At the time being, new exporters are finding it very difficult to get financial support from commercial banks," he noted.

The proposal to set up an institution for export credit guarantees will be revised, he added.

Dr Supachai also commented on the role of the Joint Public-Private Sector Consultative Committee, saying it should be an important organisation to help solve problems, particularly those concerning the private sector.

"In the past, the committee only passed the private sector's complaints and requests to the Government; it did nothing to solve the problems," he said.

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CSO: 4200/17

## PREM ORDERS SOLUTION TO STATE FIRMS' PROBLEMS

Bangkok BANGKOK POST in English 19 Sep 86 p 11

[Text]

**PRIME Minister Prem Tinsulanonda has instructed the Council of Economic Ministers and the National Economic and Social Development Board to jointly decide the fate of all financially-ailing state enterprises, a highly-placed source told the *Bangkok Post* yesterday.**

The source said that Prime Minister Prem had set a policy that the problem of the ailing state enterprises must be settled within the Prem V Government.

The decision was made after the contributions from all state enterprises this year indicated that their role as income-generating agencies for the Government was on the decline.

The source said that the total contribution from all state enterprises to the Govern-

ment for the next fiscal year was expected to be 8,305 million baht, which is only about 3.6% of the total budget of 227,500 million baht for the next fiscal year.

The contribution, when compared as a percentage of the fiscal budget, has declined sharply. The percentages of contribution in the previous fiscal years have been much higher.

The source said it was expected that the contribution for the 1988 fiscal year would be only

about 2.8%-3%. Prime Minister Prem said that this could not be allowed to continue and had instructed the Council of Economic Ministers and NESDB to tackle the problem.

Moreover, the source said that the 8,305 million baht contribution would not come entirely from state enterprises.

Contribution from the profits of the state enterprises is expected to be only 3,732 million baht. Of this amount, about 2,380 million baht will be contributed by the State Lottery Bureau and 290 million baht by Thailand Tobacco Monopoly.

"They should be the Government's sources of income, and not the Government's burden as they are at present," the source quoted the Prime Minister as saying.

NESDB and the Council will also lay down the policy for improving the efficiency of profitable state enterprises to enable them to make higher profits from their operations.

Regarding the Government's revenue to be collected during the next fiscal year, it is expected to be 165,164 million baht, or about 72.6% of the total expenditure budget.

Of the expected revenue, 39,450 million baht will be in the form of direct taxes, including 23,900 million baht in personal income tax, 15,000 million baht in corporate tax, and 550 million baht in travel tax.

The remaining 125,714 million baht will come from indirect taxes, including 34,151 million baht from import and export tax, 34,100 million baht in duty stamps, 52,259 million baht in business tax, 21,328 million baht in oil tax, 4,976 million baht in excise tax, 747 million baht in royalty from mining and 1,927 million baht in tax on petroleum products.

CONTRIBUTE

It is also expected that the Bank of Thailand, which is not regarded as a state enterprise, will contribute 1,520 million baht from its profit this year to the Finance Ministry, which will also gain about 382 million baht in dividends from shares in various companies and commercial banks.

The source said that Prime Minister Prem gave guidelines to NESDB and the Council that the Government would no longer shoulder the financially-ailing state enterprises.

## BIGGER ROLE FOR STATE FIRMS SEEN IN NEW PLAN

Bangkok BANGKOK POST in English 20 Sep 86 p 11

[Text]

THE Government has set the ceiling on investment of the government sector, including state enterprises, at 11% of the export earnings, with the rate of return not lower than the interest rate of government bonds.

This is part of the Government's major programmes in the Sixth Plan to develop state enterprises and boost their roles in economic and social development.

It is one of the 10 major programmes in the Sixth Plan and was comprehensively explained at the Government House by top officials of the National Economic and Social Development Board: Secretary-General Dr Snoh Unakul and his three deputies, Prakob Juangpanitch, Dr Phisit Pakkasem and Kosit Panpiemrat.

But Dr Snoh said the rate of return may be lower than the limit for projects specially supported by the Government.

Investment in businesses which the private sector can do better will be reduced, while the private sector will be encouraged to participate more in certain investment projects, he said.

The Government will also require state enterprises to mobilise the investment capital from their own incomes for at least 25% of the total investment; their ratio of income to debt burden will be maintained at 1.5:1 and they will be required to contribute at least 50% of their net profits to the Government.

The Government will increase state enterprises' capitals by selling shares to the public, and some of them will be liable to pay certain taxes. "This will make it fair for the competition between state enterprises and the private sector," Dr Snoh said.

In guaranteeing loans for state enterprises, the Government will guarantee only loans for investment under the Government's policy and loans borrowed by state enterprises with efficient management systems and the rates of return of their projects are high enough.

In fixing the prices of products and services supplied by state enterprises, it must enable them to break even, while the Government will reduce all kinds of subsidies and all the burdens will be pushed on to consumers.

Regarding personnel management, a central plan will be drawn up and the entire salary scale will be restructured to make it in line with the salaries in the private sector.

The plan to privatise some loss-ridden and inefficient state enterprises will be continued, he said.

Dr Snoh said some state enterprises are too big, having expanded too rapidly, and are unable to organise their management structures to cope with the expansions efficiently, and that is the main cause for their losses.

Although the number of state enterprises has been cut from over 100 to less than 70 in the Fifth Plan, their operation costs and investments soared. "The total expenditure was about 72% of the Government's fiscal budget in 1977. It rose to 109% this fiscal year. Their investment budgets, in particular, had expanded by about 20% annually for the past eight years," Dr Snoh said.

In the Fifth Plan, state enterprises made a combined profit of 57,717 million baht, only 5.7% of their combined assets. The rate of return was rather low, particularly when compared with the average rate of 9% achieved by large private business concerns.

But he said the number of loss-ridden state enterprises was reduced from 18 at the start of the Fifth Plan to 11 at the end of the Fifth Plan, and the combined annual losses were lowered from 2,292 million baht to 2,117 million baht. But two enterprises — the State Railways of Thailand and Bangkok Mass Transit Authority — suffered losses of over 500 million baht a year.

### UTILITIES

He said the two enterprises are public utilities, so it was difficult to adjust the service charges.

Dr Snoh said about 60% of the gov-

ernment sector's debt was incurred by state enterprises, while the contributions to the Government went down from about 73% of their net profits in the Fourth Plan to 42% in the Fifth Plan. This was because they had increased the conversion of their incomes to be investment budgets from 10% to 20%.

But he noted that there was no central organisation to supervise state enterprises, particularly their borrowings. At present, about 90% of their combined loans or about 76,195 million baht was borrowed from abroad, while only about 10% was domestic loans.

The debts in arrear of state enterprises and between state enterprises and other government agencies now total about 6,500 million baht and are still increasing.

He commented that state enterprises had received special care from the Government, thus enjoying more privileges than private firms. These privileges have made some state enterprises to be inactive in improving their efficiency.

Dr Snoh said the programme to develop state enterprises is one of the three new programmes designed for the Sixth Plan.

The other two are one to develop production, marketing and job creation, and one to improve the Government's administration and to review its roles.

In the second programme, employment will be increased by 3.9 million persons in the Sixth Plan, of which 2.6 million will be employed by the non-agricultural sector.

The income from exports will be increased by 12% a year and that from the tourism industry by 8%.

The other seven programmes are follow-ups from the Fifth Plan, including one to develop the economy in general, one on human and social development, one to develop national resources and environments, one to develop science and technology, one to develop infrastructure, one to develop urban and specific areas and one to develop rural areas.

## DEPUTY FINANCE MINISTER ON NEW LOANS

Bangkok THE NATION in English 15 Sep 86 p 17

[Text]

**THAILAND** and other member ASEAN countries will negotiate with Japan to relax repayment terms and reduce interest rates in the wake of the rising yen. At the same time, Thailand should take advantage of the yen appreciation to borrow from Japan for worthwhile projects and replace old yen loans which have swollen through the rising yen.

Deputy Finance Minister Supachai Panitchpakdi made these remarks over the weekend when he also urged Thailand to open the door for more American service activities such as banking and insurance to be set up in Thailand in the wake of Washington's strong push for the service sector.

Supachai, commenting on the effects of the strong yen, admitted that the more than 50% yen appreciation has had some negative impact of the old yen loans for Thailand.

One-third of the country's total outstanding foreign debts of US\$16,000 million is in the Japanese yen, he said.

The deputy finance minister said that for the private sector, the yen appreciation has had mixed effects. "For exporters, it has been a boon and Japanese investments here are expected to rise, but for those who have borrowed in yen, the impact will be adverse. Loan repayment

rescheduling is one way out of the problem. I'll see what the government could do to help those affected but I must admit it's a tough task," he said.

The deputy finance minister said that during a recent ASEAN ministerial meeting, Malaysia put forward the proposal for ASEAN to negotiate with Japan over the yen appreciation issue. Apart from the relaxation of repayment terms and lower interest rates for the yen loans, ASEAN also wants Japan to buy more from this region, paying in yen instead of the US dollar. "At the same time, we also want Japan to help promote tourism in this region with the stronger yen," he said.

One of the solutions for the country's problem related to the stronger yen is to obtain new yen loans to match old ones.

Supachai also noted that during the meeting of the Council of Economic Ministers last week, the government adopted a policy to encourage more investments from countries where the currencies have become strong including Japan and Switzerland.

"But if we borrow yen loans now, at a time when the yen is strong, we will stand to gain since any depreciation of the currency in the future will be dramatic and by then, we will be in a good position to reap benefits from the trend," he said.

The deputy minister said the yen may remain strong for the next four to five years.

The United States, meanwhile, is going through a "J" curve in its economic trend. "But the time lag usually is six months for this trend. However, it has been on for two years now. Although the dollar has weakened and the interest rates have been low, the budget deficit remains high and the dollar continues to be weak. The key factor will be oil prices," he said.

Supachai said that the US is now trying very hard to push for its service industry such as banking and insurance. "These are areas in which we should try to take advantage of and, if we could, we should welcome American investment in these areas in the country," he said.

Meanwhile, the Japanese government is now facing a major turning point regarding its handling of yen loans, a significant element in Japan's economic assistance to developing countries, according to the *Daily Yomiuri*.

Member countries of the Association of Southeast Asian Nations, which have received large loans from Japan, are now faced with the sharp increase in debt payments, to be converted into US dollars, due to the effect of the yen's steep appreciation.

The ASEAN nations are now demanding that Japan reduce its interest rate on the loans. Moreover, the United States and European countries have been increasing their demand for further opening of the development project markets in these countries. At present, only

Japanese and local companies are allowed to participate in those projects which are financed by yen loans.

At the end of August, a meeting of ASEAN's economic ministers was held in Manila. At the meeting, it was resolved that the association demand of Japan a reduction in the yen-loan interest rate to aid in lessening the debt burden.

Since last September's G5 financial ministers' meeting, the yen has appreciated from around 240 yen to the 150 yen level against the dollar, a rise of some 40 per cent. An amount equivalent to the appreciation is automatically attached to the original debt payment of each nation. That is, if a nation, for example, borrowed \$100 from Japan several years ago and had to pay it back today, the nation would owe some \$160, including interest, said former Malaysian Foreign Minister Ahmad Rithauddeen — currently information minister.

Of the ASEAN countries, Indonesia has received a total of 1.1 trillion yen in loans to date, Thailand 520 billion yen, the Philippines 390 billion yen and Malaysia 260 billion yen. All the nations in the association are faced with the serious problem of paying back the interest on these loans and the strong yen is not making the situation any better.

Another reason for ministers' call is that the interest rates on loans coming from Japan are high compared to rates in other countries. In the US and Europe the rates normally run around one to two per cent. Yen loan interest rates are 3.7 per cent on the average, despite the fact that the general interest rate is lower in Japan than in the US. The ASEAN nations have complained strongly about this strange gap in interest rates.

In response to the demand for lower rates to developing countries, the Foreign Ministry,

International Trade and Industry Ministry, Finance Ministry and the Economic Planning Agency have been discussing possible lower rates on new yen loans. Lowering the rates on outstanding loans is rather difficult financially and then too, exactly how much the yen will appreciate in the future is impossible to calculate.

Many Finance Ministry officials still believe the burden of payments must be compensated for if Japan raises the ceiling on loan amount to these nations.

Tied loans, which limit the suppliers of machine tools and equipment to Japanese and local companies, account for some 40 per cent of all yen loans. The US and Europe have voiced sharp criticism of this system, saying that Japanese firms, taking advantage of the situation, have been using it to increase their plant exports.

Some 62 per cent of all yen loans are untied and do not limit suppliers to Japanese and local enterprises only. The ratio of untied to total number of loans in West Germany is 74 per cent, 32 per cent in the US, 30 per cent in Britain and 28 per cent in France. In this respect, Japan ranks second following West Germany. Moreover, Japan abolished complete tied loans, which limit suppliers to Japanese firms only, in 1984.

The US and European nations, however, continue their criticism by saying the situation now is the same as with complete tied loans since the current tied loans prevent companies from advanced countries from acting as suppliers to projects in developing nations receiving yen loans.

The Japanese government being placed in an internationally difficult position, of course, sees it inevitable to lower interest rates on its yen loans and expand untied loans. However, it may take some time before the problem is solved because of strong resistance from domestic enterprises and the financial difficulties faced by the government itself.



## LARGE-SCALE DEVELOPMENT PROJECTS VIEWED

## Government May Ease Borrowing Curbs

Bangkok THE NATION in English 18 Sep 86 p 25

[Article by Sam-Ang Vutisaksatit and Peter Mytri Ungphakorn]

[Text]

**THERE** are already projects totalling 3,000 million baht vying for the 1,500 million baht capital investment budget the Cabinet added recently to its spending plans for fiscal 1987, Budget Bureau Director Bodi Chunnanapda said yesterday.

He also said the government might consider raising the ceiling on new foreign exchange commitments if renting or leasing arrangements by state enterprises are to come under the auspices of the National Debt Committee.

In an interview with *The Nation*, Bodi said the projects totalling about 3,000 million baht are those that were previously rejected during the drafting of the budget bill because of the original limit on spending of 226,000 million baht. They are mainly projects of an economic nature, he said, and the Budget Bureau is evaluating them to rank them according to priority.

Budget Bureau officials say they are mainly infrastructure projects and that the bureau is worried that in the past these sorts of projects have done little to improve the unequal distribution of wealth and income in the country. This would mean that the projects would have to be looked at specially carefully.

The government's criteria for selecting projects for the 1,500 million baht addition to central capital investment spending require that the projects create employment, earn foreign exchange and tackle poverty.

As well as the projects previously submitted, new projects are also seeking a share of the funds. The Tourism Authority of Thailand wants 115 million baht to promote tourism, and Bodi said that even though the request complies with the criteria, it would have to be considered in comparison with competing plans since eligible requests exceed the 1,500 million baht available.

Asked about government expenditure in the five fiscal years of the Sixth Plan, Bodi said that expenditure growth should match the economy's growth planned at no less than 5 per cent per year on average. That rate might not be achieved every year, he said, and expenditure should be adjusted accordingly.

Although the Sixth Plan seeks private sector investment to fill gaps left by the government sector, Bodi warned that it would be wrong to halt government sector investment altogether.

Investment by the government and state enterprises is a large proportion of total investment, he said, and it is needed to support private sector investment and to provide a balance. Without that support, the country's overall growth targets would not be met, he said.

The Fifth Plan's failure to meet targets is the result of external factors, however, he said. He cited increasing oil prices and falling agricultural prices and the effects of protectionism and farm subsidies in the leading industrial countries as the reasons.

But Thailand has suffered less than many other countries, he said, and therefore is better placed to take the opportunity to seek recovery, both economically and politically. The extra 1,500 million baht would help with the stimulation of the economy, he said.

Bodi is a member of the national committee overseeing new foreign debt committed by the government, and he suggested, in much the same way as Deputy Finance Minister Supachai Panitchpakdi is doing, that the present ceiling of US\$1,000 million on new foreign debts ought not to be adhered to too rigidly if circumstances warrant a relaxation. The Sixth Plan recommends that US\$1,000 million should remain the ceiling for at least the first three years of the plan.

One of the issues that the committee has had to consider in the past, and which some members say will be raised again when it next meets, is whether rental or leasing agreements involving payments in foreign exchange should come within the jurisdiction of the committee and be subject to the ceiling.

A number of projects have failed to receive Finance Ministry approval partly because of the planned borrowing to cover the cost of purchasing equipment. The project designers, sometimes equipment suppliers and sometimes government agencies, have sought to by-pass the controls by redesigning the projects so that the equipment is rented or leased.

The use of the terms is sometimes confusing, particularly when "lease-buy" is added to the list, but the problem arises because rental contracts, whether or not they end up with the agency concerned taking over possession of the equipment, could commit the government to paying out foreign exchange, either in the rental or through penalty clauses for suspension of the contracts before the end of the specified period.

One project being proposed — the Australian high speed passenger express train — requires some sort of government assurance that the rental will be paid in order that it can qualify for Australian government aid that will reduce the costs. The suppliers have devised a "sovereign commitment" idea which they say is not as binding as Ministry of Finance guarantee, but

sufficiently binding to satisfy the Australian government.

The suppliers' lawyers describe the scheme as "quasi-debt," and committee members and other government officials are reported to have been perplexed by the implications of the idea. In any case, it is not easy for suppliers of complete trains simply to repossess them if the State Railway fails to pay its bills.

Bodi said yesterday that ordinary equipment rental ought not to be considered as equivalent to incurring debt provided the amounts involved are small. Leasing arrangements that end up with the handing over of possession to the government agency or state enterprise concerned might be considered as equivalent to borrowing, and adjustments could be made in the government's ceiling to accommodate such arrangements since leasing is already being practiced outside the ceiling, he said.

In any case, the details of the proposals would have to be looked at, he said, such as whether the projects are capable of generating foreign exchange. If they are, then they should be allowed to operate outside the auspices of the debt committee. Otherwise they would be a burden on the country's foreign exchange reserves, he said.

Another detail that would have to be looked at is the composition of the foreign exchange obligation — whether it is in dollars, yen, marks or some mix of currencies. This, too, would affect the foreign exchange reserves, Bodi said.

### Ikita Mission, Japanese Aid

Bangkok THE NATION in English 19 Sep 86 p 25

[Text]

**FORMER** Japanese Foreign Minister Saburo Okita has signed a "joint memorandum" during his Sept 8-13 visit offering Japanese assistance in a wide range of areas including the Eastern Seaboard Development Programme, trade and investment, service sector including tourism and boosting the role of Japanese companies in Thailand.

The memo said in part that once the new Thai government switches on the greenlight on the Eastern Seaboard Development Programme, the Japanese government is prepared to continue the cooperation through extension of Official Development Assistance (ODA)

loans and other types of cooperation based on specific requests from the Thai side.

Here are excerpts from the "Joint Memorandum of the Second Okita Mission Concerning Economic and Technical Cooperation with Thailand".

• The Thai side emphasized the atmosphere of cooperation as created by the First Okita Mission (1981) concerning Economic and Technical Cooperation with Thailand which paved the way for better understanding and more systematic cooperation for mutual benefit and thanked the Japanese side for all its endeavour after the First Okita Mission concerning Economic and Technical Cooperation with Thailand to fulfill what has been expressed during that fruitful discussion.

The Thai side viewed the

Second Mission as the attempt to aim at reaching concrete results taking advantage of the ground work of technical cooperation and other activities taken place from the initiative of the First Mission.

• The Thai side explained the economic issues and development strategies to the Japanese side. In addition, the Thai side explained the needs for future Thai-Japanese cooperation in line with the development strategies.

• The cooperation programme included

the Eastern Seaboard  
the rural development  
trade and investment  
service sector (including  
tourism)  
social sector  
cooperation programme  
role of Japanese private  
sector in Thailand

In addition, the Thai side also expressed the need for cooperation to promote exports and thanked for the preparatory work done under technical assistance programme. The proposed step to be taken is cooperation in marketing study as well as the joint task force incorporating the private sector of both nations to help towards improvement of the competitiveness of Thai products.

- The Japanese side expressed its broad-ranging intention to continue extending its cooperation in supporting the Thai efforts to achieve principal targets in the Sixth Five-Year Plan.

- The Japanese side expressed its intention to carry on its cooperation in the following areas.

#### **(1) Rural Development Programme**

Considering the importance of this programme attached to by the Thai Government, the Japanese side expressed its readiness to place great emphasis on the cooperation in such areas as development of agricultural infrastructure, modernization of rural communities and transfer of technology in agriculture sector, in order to help achieve primary objectives of this programme.

#### **(2) The Eastern Seaboard Development Programme**

The Japanese side understood that the Thai Government has been discussing carefully and seriously how to manage this project in the future. It is understood that even though the final decision has not been announced yet, decision on this programme will be taken in the very near future. Once the greenlight is given by the Thai side, the Japanese side is prepared to keep the cooperation going through the extensions of ODA Loans and other types of cooperation based naturally upon specific requests from the Thai side.

With regard to the investment in this area by the private sector, which is eagerly solicited by the Thai side, the Japanese side stressed that the Japanese Government is ready to support Thai efforts for promoting investment in this area by such

means as providing appropriate informations about this programme to Japanese potential investors and assisting the investment promotion missions to be dispatched to Japan by the Thai side, in addition to the cooperation already extended for infrastructure development in this area, even though this matter is up to the private sector not the government, to decide whether, how and to what extent the investment will be made in this area. During the discussions, the Japanese side is encouraged to know that the Thai Government is now studying what kind of incentive measures, financial or others, will be taken to encourage private investment in Eastern Seaboard area and other places in Thailand, and hoped that such measures would be put into effect in the near future.

(3) To respond effectively to changing development needs of Thailand, which is making determined efforts to promote structural adjustments of its economy, the Japanese side expressed its readiness to expand cooperation in the fields of export promotion and investment promotion.

#### **(i) Export Promotion:**

The Japanese side expressed its understanding that export promotion plays a key role in pursuing structural adjustment of the Thai economy. The Japanese side has already implemented a wide range of cooperation in this field based upon increasing requests from the Thai side through, for example, extending two-step loans to foster an export-oriented industry in Thailand and facilitating Thai-Japanese cooperation for infrastructure development which would lead to increase export of Thai products.

Japanese assistance in this area will be continued, putting more emphasis on the cooperation for improvement in quality control, standards, management and marketing, which will contribute more directly to make Thai products more competitive in the international market. In line with this policy, the Japanese side has already started some important cooperation projects,

among others establishment of Metal Industry Research and Development Institute in Thailand and technical assistance for vapour heat treatment for mango which has been successfully completed

#### **(ii) Investment Promotion:**

The Japanese side stated that the promotion of direct investment to Thailand is indispensable for the development of Thai industry. Japan will continue to extend its economic cooperation as positively as possible to support Thailand's efforts to improving her investment climate by various means such as development of infrastructure, investment promotion seminar and supply of investment-related informations to Japanese private sector. The government of Japan will start this year an important project called PAC Consulting Programme on Private Sector Development which aims at facilitating Japanese private investment here.

The Thai side thanked the Japanese side for its readiness to respond to the Thai request for development needs and took note that after the First Mission the Thai-Japanese relations has reached a new breakthrough in terms of better understanding and more systematic approach in cooperation for mutual benefit. Particularly, it pointed out the fact that the Japanese proposal and the Thai request for the technical assistance is almost identical reflecting a cordial and close working relations between the two parties.

## New Deep Port, Fertilizer Plan

Bangkok THE NATION in English 19 Sep 86 p 17

[Article by Meter Mytri Ungphakorn]

[Text]

**THE newly-appointed Eastern Seaboard Committee is expected to give the go-ahead for the Laem Chabang deep seaport project, one of the key but less controversial items in the development programme, when it meets in mid-October.**

Dr Snoh Unakul, secretary general of the National Economic and Social Development Board (NESDB), who is also secretary of the committee, hinted at the possible green light for the project in an interview with *The Nation* yesterday.

He said the Laem Chabang port near Sri Racha in Chon Buri Province would be the project most acceptable to those who support the programme and those who have reservations. Approval would probably mean the end of plans to lease the navy's port at Sattahip.

Snoh also indicated that the planned port at Mab Ta Pud in Rayong Province at the southern end of the Eastern Seaboard might face greater difficulties in gaining approval. He said it would have to depend on the fate of the National Fertilizer Corp project.

The government's intention of going ahead with some if not all elements in the controversial programme is also indicated in a joint memorandum signed during the recent visit of Dr Saburo Okita, adviser to the Japanese Foreign Ministry and former foreign minister.

The memorandum refers to Thailand giving "a green light" to the Eastern Seaboard Development Programme in terms that almost take approval for granted at some time.

It says: "Once a green light is given by the Thai side, the Japanese side is prepared to keep the cooperation going through the extensions of ODA loans and other types of cooperation based naturally

upon specific requests from the Thai side."

But "the Japanese side understood that the Thai Government has been discussing carefully and seriously how to manage (the Eastern Seaboard programme) in the future. It is understood that even though the final decision has not been announced yet, a decision on this programme will be taken in the very near future."

Snoh said yesterday the Laem Chabang project covers common ground between supporters and critics because it would serve small and medium scale industries producing for export, mainly in the planned industrial zone close to the port.

Snoh said approval to go ahead with Laem Chabang now would be timely because of increasing interest from Japan and other countries whose currencies are appreciating in investing in Thailand. Included in this would be the possibility of investment from Taiwan in shipbreaking yards.

The Okita joint memorandum also refers to private sector investment "which is eagerly solicited by the Thai side." It says the Japanese Government is ready to support Thai efforts through providing information to potential Japanese investors and assisting Thai investment promotion missions to Japan.

A green light for Laem Chabang would probably mean the end of proposals to use Sattahip as another deep seaport. The Sattahip project was supported by former Communications Minister Samak Sundaravej, but Snoh said the proposed ten-year lease and ultimate control by the navy of the port would not provide sufficient assurances of the future of the port.

Snoh also said the prospects for Laem Chabang are better than Mab Ta Pud, the third proposed site for a deep seaport. Other projects in the Mab Ta Pud area would be able to



survive without the port, he said.

For example, the petrochemical plants can go ahead with the gas separation plant already working, he said, and the tantalum factory could also be set up at Mah Ta Pud if it passes its feasibility study, even if there is no port there.

On the fertilizer project, whose fate still hangs in the balance, Snoh said the new Finance Minister Suthee Singhasaneh should be allowed to assess the situation without over-emotional pressure one way or the other. "Whatever will be will be," he said, adding that it was a good sign that once heated emotions now seemed to have cooled off. Snoh suggested that Suthee had come to office with a clean state and would be less liable to criticisms.

Snoh said the real problem with the fertilizer project is the political one of pricing, with critics not convinced that the government will be able to resist pressures to prevent prices rising when world prices do or to resist pressures to protect the fertilizer plant with import tariffs when world prices are low.

The NESDB has been criticized for being too involved in the implementation of the Eastern Seaboard projects, and this has blurred the distinction between implementation and the planning board's more proper functions of planning and assessment. Critics also say NESDB staff should not be involved in running the Eastern Seaboard programme because that means they have a vested interest in making sure that the projects go ahead even if scrapping or postponement is

more appropriate.

Snoh agreed that there was a problem and said he would be happy if the development programme were administered separately. But, he said, it had been found that suitably qualified personnel were difficult to find outside the planning board.

He said there was still a lot of misunderstanding about the nature of the Eastern Seaboard programme. With the depression in Thailand's six traditional agricultural exports, he said, it would be wrong to put all the country's development resources into rural development.

Advocating industrialization that would make Thailand a "Thai-style NIC" (newly industrializing country), Snoh said agriculture would have to remain the basis of Thai society. Thai-style industrialization would leave Thailand with a larger agricultural base than in other NICs, he said. But nostalgia for "the good old days" was misguided romanticism.

"Life in the old days was not romantic at all," he said. "It was torture."

By being a Thai-style NIC, Thailand would be able to cherish its moral heritage, Snoh said, referring to the Sixth Plan which contains measures for encouraging the population to take more of an interest in moral and spiritual aspects of life.

Thai society is an open one, ready to absorb and modify new elements all the time, he said, which gives its culture dynamism. It is important to be realistic, to turn to religion and to turn to good values and institutions, he said, otherwise the country would be swamped by harmful influences.

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CSO: 4200/18

DEPUTY PM SONTHI INTERVIEWED ON ARMY POLITICAL ROLE

Bangkok LAENG KHAO in Thai 17-23 Aug 86 pp 14-19

[Interview with Admiral Sonthi Bunyachai, the deputy prime minister, by Chettarak Khandhasayam; date and place not specified]

[Excerpts] [Question] What will be your duties in the new administration?

[Answer] I don't know yet. In the past, I handled things in communications and the Ministry of Justice and did various other jobs. Whenever the prime minister thought of something that I could help with, he would come and ask me to "help a little." I did what I could. Some of the tasks concerned the Ministry of Defense. At cabinet meetings, he would ask me what I thought. I always answered him as truthfully as I could. That is, I have always tried to do what is right. I am not afraid of displeasing others. Sometimes, doing the right thing displeases others. I don't know what else I can do. I don't think that he will assign me the same duties as before. He will probably assign me a variety of tasks. He will probably have me clear up certain things. He wants things to be right. That is probably what he will ask me to do. That is what I think. He probably has something in mind for me.

[Question] One way in which this administration differs from the previous administration is that there are now five deputy prime ministers. Will there be any problem coordinating the work?

[Answer] No, I don't think so. In my 69 years, I have never had any problems like that. And I don't expect to in the future. If everyone comes to work with an attitude of working for the nation, there won't be any problems. I have always gotten along well with the other deputy prime ministers. Maj Gen Chatchai Chunhawan calls me "elder brother." We are very close, because we served together in the military. Gen Thianchai Sirisamphan used to come and see me even before he received this appointment. He used to come to my office and chat about politics. Mr Phichai Rattakun and his wife are close friends of mine. Mr Phong Sarasin is a friend. He calls me "elder brother." We go to the sports club together. Truth and honesty are lasting qualities. I don't think that there will be any problems.

[Question] From the number of votes that it has in parliament, the new administration would appear to be very strong. But during the period when the



cabinet was being formed, problems arose over cabinet quotas, particularly in the Democrat Party. Thus, there seem to be problems from the very start. Will this lead to disharmony within the cabinet?

[Answer] Thailand is a strange country. Anything is possible here. The political problems here revolve around the word "interests." Each person who is appointed to a position should give first priority to the nation's interests. The interests of the party and personal interests should come second. The party and the individual will benefit. If the interests of the country are given first priority, there won't be any problems. We all need certain things for our personal happiness. But if some people move in the opposite direction, problems could arise. That is, problems could arise if people put themselves first, the party second, and the country third.

The Thai people are very flexible. If everyone remembers that the national interest comes first, there won't be any problems. But if people put their own interests first, there will be conflicts.

[Question] Everyone is hoping that there will be a "new Prem." Is there much hope for this?

[Answer] I think so. Prem will probably stick to the facts more. This alone will change everything. We can accept the truth and admit our mistakes. We don't have to care. We have to stand by what is right. We don't have to vacillate. I am sure that he will change in this respect. He has always been a very honest person. But sometimes he was too considerate of others. He was too polite. I think that he will make greater use of military etiquette. As for the words "new Prem," I think that he will start making greater use of military methods.

In short, the new Prem will probably do two things. First, he will probably start acting more like a soldier. Second he will probably take steps to create better understanding between the government and the people. People can't live in a dream world. They must stick to reality.

[Question] People still have their doubts about his willingness to take responsibility.

[Answer] He is not afraid to take responsibility. But sometimes he gives the wrong impression.

[Question] A fact about Thai politics today is that there is a struggle between two power poles, with Gen Prem the leader of one faction and Gen Athit the leader of the other. There was a confrontation just after parliament was dissolved, which resulted in the dismissal of Gen Athit. The confrontation continued until the election was over. But the situation seems to have improved now. Do you think that there will be any more clashes?

[Answer] I think that this has been limited mostly to Bangkok. The people of Bangkok are influenced by the mass media. For example, the 0400 to 0600 radio program provides a lot of information. I think that people understand which way the mass media leans. Gen Prem and Gen Athit both have good intentions. I

have great respect for Gen Athit. I have known him ever since we served on the Legislative Council. I was still in government service and he a major general in command of a military district. He did various things. I watched the younger classes doing things to benefit the country, and he was one of the people whom I watched. The mass media or those close to us.... When a person advances or has a good opportunity, the people close by will play a great role in that person's life. Take Field Marshal Phibunsongkhram, for example. When he gained political power, people started viewing him like some sort of a "god."

As for Gen Prem, I retired in 1977 and was about to travel to the United States in 1979 when I met him at the golf course. He was the deputy minister of interior at that time. I called to him and he came to where I was. I told him: "Let me congratulate you on your appointment as deputy minister of interior. I am happy that you will have a chance to work for the country. I would like to warn you about one thing. Please be careful about those around you. Don't let them change your name to "Big Prem" or "Glorious Prem." Be careful not to let these people lead you astray. Keep your feet on the ground. Don't let things go to your head." That's what I told him. He bowed down right there in the middle of the golf course. I wished him good luck. We have been close friends for a long time. When I returned in 1981, I ran for election.... This is something that should be remembered.

[Question] There was much talk about Gen Athit being appointed deputy minister of defense. But he wasn't. And all 44 cabinet positions have now been filled. After Gen Athit retires next month, do you think that he will have a chance to join the government?

[Answer] I can't answer that question. I don't know what will happen. This is what the political atmosphere here is like. The newspapers say that a certain party should get 17 seats, but there are only 16 seats left. And you have talked about giving one of those 16 seats to Gen Athit. How could that be? That party needs another seat; this party needs another seat. That makes two. If they are given seats, that would exceed 44.

But I think that Gen Athit can still be of service. I think that he will be given something to do. But I don't know for sure. I am not involved in making appointments and don't know much about this. The prime minister hasn't discussed this with me.

[Question] The military still plays a role in determining the direction of Thai politics. It even played a role in the formation of this government. You were a soldier. What do you think about this?

[Answer] I think that in a developing country, to help the country develop as quickly as possible, there is probably no better form of administration than one that leans toward dictatorship. I really don't want to use the word dictatorship. Rather, I will say lean toward dictatorship. That is, we have to do things as quickly as possible based on reason as in our present form of democracy. Some people still misunderstand and get into arguments. They fight among themselves. In a developing country such as Thailand, the reason why the military has to get involved is that there are still many problems that

haven't been solved. The military is trying to help solve these problems. Our country should have made greater progress than this. The people's standard of living should be better than it is. The reason why it isn't is that we haven't set common objectives for all groups in the country. We have just set single objectives.

[Question] How stable will the new government be?

[Answer] If the politicians in the coalition government give priority to the interests of the nation and remember that the nation's security refers to the government's security, there shouldn't be any problem. After all, the government has 232 votes. Thailand uses the democratic system. People can give their views and argue among themselves. Once an agreement has been reached, everyone can view themselves as good politicians. With 232 seats, there shouldn't be any defeats. Thus, there won't be any instability if the politicians have good spirit.

[Question] Mr Samak's Thai Citizens Party has not joined the government coalition and so will probably serve as an opposition party.

[Answer] I think that Mr Samak's party will probably serve as a "constructive opposition." That is, it will oppose the government in order to force the government to do what is right, not to topple the government. Both I and Mr Samak served as members of the opposition for 2 years. Neither of us wanted to topple the government. That was never our intention. Rather, we wanted to benefit the country. I am sure that Mr Samak remembers that time and will continue to act constructively.

[Question] People have asked that the military budget be increased, citing the situation along the border. What do you think will happen this year?

[Answer] I served in the government for 43 years (from age 17 to age 60). I know what the soldiers are thinking. I was in the navy. I served on a submarine. Later on I worked with the U.S. Marines for 2 years at Quantico. And so I understand ground operations. I understand the situation along the eastern border. But we have to stipulate what the threats are. Not what we will do, but what the threats are. How can we defend ourselves if we don't know? We will have weapons.... Take the "saeng hao kuan," for example. It's worthless. I don't know what the military is thinking. As the deputy prime minister, I will probably work in several fields. I will have to carry out whatever tasks the prime minister assigns me. I plan to get involved in this. I want to find out what the military is thinking.

[Question] You probably knew about the cabinet appointments in advance, right?

[Answer] No, I didn't. And Prime Minister Prem did not tell me that he planned to reappoint me as deputy prime minister. Later on, after we had become a caretaker government, everyone was busy campaigning. But I did not run in the election. I still had work to do. I worked until the last day, until Friday evening. Whenever the prime minister wanted something, he would come and ask me to do this and that. I did whatever I could. I worked until the last minute. This is probably why he thought I could be of value to him. And I was

straightforward. I worked for the country. During the period that I belonged to a political party, I said that I had gotten involved in politics in order to "give," not to "take."

[Question] When did you find out?

[Answer] Just yesterday (11 August, the day the list of appointments was announced officially). When I returned home about 2100 hours, my wife told me that it had been announced on the radio just a few minutes before. To be frank, I don't have any great desire to be deputy prime minister. But as long as I am healthy, I feel that I should use my strength to do good to make up for any bad things that I may have done.

[Question] Have you ever been approached personally?

[Answer] Never. I have done the jobs assigned me. No one has ever said to me, "do this for me and I will give you this in return." And I have never said to anyone, "I will do this for you in return for something." Before I was appointed senator, all that the prime minister asked me was whether I belonged to a party. My answer was "no." Nothing else was said. I did not ask for anything, and he did not offer anything. That was how things were between us. Later on, the Senate appointments were announced.

[Question] According to the reports, Mr Samak met with Gen Prem at least twice during the formation of the government. It's said that the Thai Citizens Party asked for a quota of cabinet positions but didn't get it. You once belonged to the Thai Citizens Party. Could it be considered that you were given this position as part of the Thai Citizens Party's quota?

[Answer] I don't think so. If I had anything to do with the Thai Citizens Party, I probably wouldn't have been appointed to the Senate. That's one thing. Another thing is that the prime minister asked me if I had left the political party. He asked me this on several occasions. That was shortly after I had returned from the United States. I assured him that I had. The truth is that it is very simple for us (to become members of a political party). All we have to do is write a letter stating whether or not we are a member. It's much more difficult to change how you feel. But what has been written can be changed. I think that our laws, that is, our constitution, should be revised. After it has been revised, I will run for election again. I will become involved in politics again.

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DEPUTY PM SONTHI DISCUSSES POLITICAL ALLIANCES

Bangkok LAENG KHAO in Thai 17-23 Aug 86 pp 16, 17

[Text] Deputy Prime Minister Sonthi Bunyachai began his political career somewhat later than most. That is, he became involved in politics at the age of 64. But on this path, age is just a number. The "night is still young" for a person who is healthy and full of enthusiasm. Admiral Sonthi has proven that it does not take long to rise to an important position in the government, which is what he has done in the short time since 1983.

This may be due in part to the prestige of the Thai Citizens Party, or Mr Samak Sunthonwet. Admiral Sonthi first became involved in politics during the 1981 by-election in Bangkok Metropolitan, where he won easily. But it can't be denied that this former deputy RIN CINC already had great personal prestige. However, Deputy PM Sonthi did not stand as a candidate during the recent election. What is more, he resigned from the Thai Citizens Party. The last position that he held in the party was head of the party advisory committee. After the recent election at the end of July, he was appointed to the Senate. But no one dreamed that he would be reappointed as deputy prime minister under Gen Prem's quota. Now that the Thai Citizens Party is no longer in the coalition government, many people thought that his appointment to the Senate was his "retirement present" from Prem.

"I thought about how I could best be of use to society and the country in the remaining years of my life. I didn't think that serving as an MP was the best way," said this 69-year-old admiral about why he had not run for parliament again. "By temperament and age, I can't do things the same way as other MPs."

What Admiral Sonthi can't do and never will do is buy votes. "I won't do that. And I don't have any money even if I wanted to. But I would not do that. That will destroy society." People become MPs by campaigning among the people and promising that they will do this and that. In particular, they promise to monitor and supervise the government. "Actually, they are fooling themselves. What they really want is to become part of the government. I can't employ such methods. And so I had to get out of the House."

Even though he did not have any personal conflict with Mr Samak Sunthonwet and still likes the leader of the Thai Citizens Party, Admiral Sonthi admits that Mr Samak has failed to hit the political target that he set in 1979. At that

time, Mr Samak said that his party would win a majority of the seats within two terms. But instead of gaining in strength, the party has actually lost seats. However, Samak is a clever man and can still benefit the country, just like Maj Gen Chamlong Simuang, the governor of Bangkok Metropolitan.

"I once gave a lecture to a group of Thai people in Chicago. In the lecture I compared two people, Mr Chamlong and Mr Samak. These are two people whom the nation should use. That is, they are valuable people who can benefit the country." He then discussed the talents of Mr Samak, who almost succeeded in winning a sweep in Bangkok in 1979. Maj Gen Chamlong did a similar thing. Without much money, he succeeded in winning the race for governor last year.

"He didn't have to do much. Mr Chamlong didn't say what he intended to do. All he did was tell the people of Bangkok what kind of person he was. He told them that he ate only one meal a day, that he did not eat meat, and that he sleeps on a hard board. That was all it took to get the people to vote for him."

Deputy PM Sonthi made this comparison in order to show the qualities necessary in Thai society. The two qualities are "love and respect," which are the words that all of us have learned to write at the end of a letter. "Mr Samak earned great respect in 1979. But during the next 7 years he couldn't earn any love. The party's strength has declined from 29 seats to only 16 seats. But Mr Chamlong has earned people's love.

"I have talked to these two about this, because I think that they can benefit society. I told Mr Chamlong not to forget that he had earned people's love and that his duty now was to earn their respect. Because the Thai people want to both love and respect a person. If he doesn't do this, he won't succeed in his political life."

"Why wasn't Mr Samak able to generate love," we asked.

"He generated some love, but not enough. As for the reasons, I don't think that it is proper for an older person like myself to analyze such a personal matter," said Deputy PM Sonthi. He admitted that Mr Samak has the ability to communicate and make the people understand him. But he did that by himself. It's when he has to fight back that he runs into difficulties.

He will be 70 years old next year. But Deputy PM Sonthi is not the type of person who wants to spend his old age in peace and quiet. Just the opposite is true. He is full of enthusiasm and is eager to learn more about the world. And he is ready to devote his remaining active years to serving his country. For example, just before the election, he went on an 18-day field trip. He learned as much as he could about the American administrative system. Since his return, he has given lectures based on what he learned in the United States.

He has always had a broad world view. During the events of 14 October 1973, which is when he was serving as the director of joint logistics, Ministry of Defense, he received important student leaders such as Thirayut Burmi in his office and listened to their views. He admitted that these intellectuals had good intentions toward the nation. The only thing was that the two sides couldn't understand each other.



Politically, Admiral Sonthi feels that the present constitution should be revised, particularly those sections concerning building strong political parties. "When the election campaign started, 20 parties were formed. And they all scrambled to find candidates. That was disgraceful." In the opinion of Admiral Sonthi, the ideal political party is a party that has firm ideals, ideals that will make the people want to join the party. "You can't form a party and then go searching for members."

He does not plan to take the initiative in bringing this about. But if he is still in good health, he plans to enter the political arena again during the next election (1989), by which time he will be 73 years old. "I have had physical examinations, and the doctor has assured me that I am in good health. I know myself and take good care of myself. I am careful about my health."

Besides his political work and his duties in the government, Admiral Sonthi also writes in order to disseminate his views to the public. He was urged to do this by Khanchai Bunpan of MATICHON. He writes mostly about national security matters. And that is not all. After Gen Sitthi Chirarot wrote the well known article entitled "I Was Appointed," Admiral Sonthi wrote an article entitled "I Was Elected and Appointed."

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CSO: 4207/335

DAILY ON TOP CONTENDERS FOR NSC SECRETARY

BK230445 Bangkok THE NATION in English 20 Sep 86 p 3

[Text] A senior army official and the acting secretary general of the National Security Council (NSC) are the two likely candidates for the top post of the security agency, informed sources told THE NATION.

The sources said the appointment of the new secretary general of the NSC will be announced in a royal command next month.

Both Army Assistant Chief-of-Staff for Intelligence Lt Gen Ngamphon Nutsathit and acting NSC Secretary General Suwit Suthanukun have been nominated for the post and the decision will be made by Prime Minister Prem Tinsulanon.

Suwit was the senior most deputy NSC secretary general when Sqn Ldr Prasong Sunsiri retired to take over as PM's secretary general last month.

Army Commander-in-Chief Gen Chawalit Yongchaiyut nominated Lt Gen Ngamphon, a Chulachomklao Military Academy Class One graduate like Gen Chawalit, because of the limited slots in the army hierarchy.

In addition, Lt Gen Ngamphon has gained experience in the intelligence work, having been the army's director of intelligence before his promotion to the post of assistant chief-of-staff.

Suwit's nomination has been backed by several senior officials, including those in the inner security circles.

Suwit, a 55-year-old career security bureaucrat, is recognized for his ability and technical competence but has rightly avoided publicity throughout his career.

An informed source said that if a military officer was to take over as NSC secretary general, he would have to resign from the military establishment because the security body is intrinsically an agency in the Office of the Prime Minister.

Military sources said that although Armed Forces Director of Intelligence Lt Gen Phat Akkhanibut had earlier been tipped for the post, they believed that the Chulachomklao Military Academy Class One officer was an unlikely choice for there is still room to promote him to deputy armed forces chief-of-staff next year when Gen Suraphon Bannakitsophon retires.

## CROWN PRINCE PROMOTION, BIOGRAPHIC PROFILE

Bangkok THE NATION in English 21 Sep 86 p 1

[Text]

HRH Crown Prince Vajiralongkorn will be promoted to deputy commander of the Bangkok-based First Army Division in a forthcoming army reshuffle which will affect middle-ranking officers, informed sources told *The Nation* yesterday.

The sources said that the reshuffle order will be issued next month.

The Crown Prince is now commander of the Royal Guards Regiment which is under the First Army Division. He holds the rank of special colonel.

He will replace Col Montree Thupparathee who was appointed as Armed Forces' deputy adjutant general carrying the rank of major general, following the annual military reshuffle.

The appointment of Col Montree,

a former aide-de-camp of ex-Supreme Commander Gen Arthit Kamlang-ek, will become effective October 1.

The middle-level reshuffling order will see the promotion of officers at the colonel level to slots vacated by the promotion of their predecessors in the annual shake-up issued in the form of a royal command.

Born July 28, 1952, the Crown Prince received his primary and secondary education in schools within the compounds of the Royal Residences in Bangkok until January 1966 when he left Thailand to further his studies abroad, first at King's Mead Preparatory School, Seaford Sussex, and then at Millfield School, Street, Somerset, both in England.

His Royal Highness enrolled at

the King's School in Parramatta, Sydney, Australia in September, 1970 and afterwards passed the entrance examination to the Royal Military College at Duntroon, Canberra from where he graduated on December 9, 1976.

During his school holidays, His Royal Highness frequently visited various units of the armed forces, keenly observing their activities. As a result, HM the King bestowed upon him the rank of a second lieutenant in November 1965 covering all the three branches of the armed forces. He was promoted to first lieutenant in November 1971.

On completing his studies at the Duntroon Royal Military College, the Crown Prince was promoted to the ranks of captain in the army, lieutenant in the navy and flight lieutenant in the air force.

After passing his examinations for admission to the 56th Class of the Army Command and General Staff College in October 1977, he was promoted by HM the King to the rank of major, lieutenant commander and squadron leader in the three branches of the armed forces. He graduated on September 15, 1978, becoming the first Crown Prince and Prince of Chao Fah rank to have studied at the prestigious army institute.

He was then posted at the Royal Guard Battalion, First Infantry Regiment as deputy commander in October, 1978 and promoted to commander in November 1980. He was made lieutenant colonel in the army, commander in the navy and wing commander in the air force in October 1980.

## DR SNOH VIEWS NEW NESDB PLAN

Bangkok BANGKOK POST in English 15 Sep 86 p 13

[Interview with Dr Snoh Unakul, secretary-general of the National Economic and Social Development Board by Theh Chongkhadikij]

## [Text]

In an exclusive interview with the *Bangkok Post* over the weekend, Dr Snoh, who is responsible for charting Thailand's economic plan over the next five years, said that to achieve the 5% economic growth targeted in the Sixth Five-Year Economic and Social Development Plan, the country needed to move ahead in the three areas.

His statement came after NESDB had completed its 465-page draft, based on the 36-page guidelines approved by the previous Cabinet, late last year. The detailed draft will be discussed today in a special Cabinet meeting, and if approved, would be implemented on October 1, 1986 till September 30, 1991.

Dr Snoh said Thailand relied heavily on exports of about 5-6 major items, but the continuing downturn in world prices, which began in the Third Plan and continued in the Fifth Plan, coupled with soaring protectionism in the Western industrialised countries, "has taught us that we have to diversify our risks".

Under the Sixth Plan, about 200 agricultural items are envisaged to have a bright future in

overseas markets. Besides the traditional major crops, it also included others such as herbs, vegetables, fruits and sunflowers, he said.

"What we think is we will try to push exports of about 20-30 items first in 1987 and see their results," the NESDB secretary-general said. He added that he had high hopes but "we are not expecting results from all these products."

Describing it as "the economic and business risk insurance system", he said Thailand would be able to diversify the risks which may be involved if a number of crop prices decline, similar to what the country is currently facing.

"This is because we cannot just rely on agricultural items alone as a result of the downturn in prices in the world market," he said. For example, oil exporting countries and Singapore, which do not have many substitutes, have suffered considerably with the drop in oil prices.

Also to be stressed, he said, was the maximum utilisation of agricultural products currently exported in raw material form. Dr Snoh said the Sixth Plan would see

several agricultural products processed before being exported so as to have more value-added.

He said Thailand had a comparative advantage in almost everything, "but we don't have the markets because of several problems."

Unlike the Fifth Plan, which gave priority to exports, the Sixth Plan, he said, would lay emphasis on linking production techniques and the market by using all the comparative advantages. The Government would also encourage the private sector to increase its role in supporting exports of new agricultural items.

As for the new industrial items, Dr Snoh said it was time that Thailand fully became a "newly industrialised country (NIC)" as "we cannot just maintain our position as an agricultural exporter alone".

He described Thailand as being among the third group of NICs along with China and ASEAN, after Japan, which was described as in the first NIC, and South Korea, Taiwan, Hong Kong and Singapore in the second group.

Dr Snoh, who has been invited by the Council of Relations in New York to

speak on "Thailand: The Emerging Frontline Economies in Southeast Asia", said proudly that Thailand was considered an NIC leader in the third group.

He said the NIC status for Thailand would be based on the agricultural industry. He added that new industries and services would also be further developed.

This is because Thai society was different, he said, describing it as being the "assimilating society", that is "we do not reject new things, while at the same time retaining old ways."

The NESDB chief said the new industrial products were divided into three groups. They are agro- and related, metal and chemical industries.

As for agro- and related industries, he said under the Sixth Plan emphasis would be put on processing agricultural products to have more value-added before being exported. He cited the case of tapioca products which were processed into modified starch.

For metal industries, he said the Sixth Plan would lay stress on forging, casting, dying and moulding techniques, whose groundworks have already been laid down in the Fifth Plan.

### **MACHINERIES**

He said Thailand currently was capable of producing several types of small agricultural machineries, parts and components for automobiles, motorcycles, and others. With these basic techniques, "our next step is to produce certain types of basic electronic products, like home electrical appliances and basic power products," Dr Snoh said.

According to a survey conducted recently, he said Thai workers were

described as having the best adaptability skills in ASEAN, particularly in metal work.

Dr Snoh believed that if the skills could be efficiently maximised, Thailand could produce several types of metal machinery, such as weaving and spinning machines all of which are currently imported.

"Our Thai workers can do almost any type of metal works in accordance with the requirement. But what we lack is precision and product standardisation, if these machines are to be produced on a mass scale," the NESDB chief said.

"If we could achieve the target of all these three new industries, then we would be able to save quite a substantial amount of foreign currencies, while at the same time curbing the country's trade deficit and creating new employment," he added.

As for new services, Dr Snoh said the new master plan still considered tourism and its related businesses as the major services which would create more jobs.

While noting that the service industry was still the country's main business because of the characteristics of Thais, he said what needed to be done was to improve the country's telecommunications and telephone system to further facilitate the service industry.

Apart from this, Dr Snoh said the Sixth Plan also included improvements in the management system, existing laws and government regulations which were described as hindering the operations of the private sector.

He described the Thai society as different and called it an "assimilating society" as it did not reject new things and at the same retained its present ways.

## CONDITIONS OF CHILD LABOR REPORTED

Bangkok BANGKOK POST in English 20 Sep 86 p 19

[Article by Sanitsuda Ekachai]

[Text]

**ALL-NIGHT** food markets are among the biggest employers of child labour in Bangkok.

A recent survey reveals that these night-time eating places hire many poor country children under 15 years old as waiters and waitresses, working for little pay and under grim working conditions.

Of the 94 night food markets in the capital, 31 are using child labour. The children are as young as 10 years.

According to the law, a child under 12 is not allowed to work. The law also states that for those old enough to work, employers must provide a decent working environment, adequate rest and payment, and limited working hours.

On average, a child waiter works 11 hours a day, receiving some 500 baht a month or 3,375 baht a year.

Most of the children give part of the money to their parents while 10 per cent said they give all their earnings to their family.

More than half of the children, however, are satisfied with their pay.

About 70 per cent of the working children are girls. While the girls risk being sexually harassed by male customers, the boys similarly risk being drawn into homosexuality.

These grim facts are revealed in a recent survey by the Foundation for Child Development on working

conditions for children and their impact on the children's development.

The night food markets usually spring to life from 6 p.m. and do not close until 4 a.m. The children, however, say that this does not mean the end of work as they have to help clean and pack things up, and prepare for the next day's work.

One hundred children were included in the survey. "We received little cooperation from the food vendors," says a foundation officer, Chompunuj Klomklom.

The big night-time food markets in the Pratunam area were not included in the survey "because of the influential figures there," the report adds.

According to the survey, 80 per cent of the children come from the Northeast, the poorest region in the country, with Yasothon and Surin provinces at the top of the list.

Coming from a farming family of five on average, three out of four children finished the compulsory grade six education before getting the jobs through relatives, neighbours or acquaintances.

As many as 87 per cent of them have signed work contracts. Only one said she was lured unwittingly.

In Bangkok for the first time, up to 73 per cent of the children say this is their first job while 95 per cent say it is the first time they



have worked in night-time food shops.

A majority of 73 per cent said they worked every night. The rest said they were allowed from one to four days off month.

The boys work a maximum of 16 hours a day and the girls 18 hours, with the busiest hours between 6 p.m. and 10 p.m.

And 91 per cent said they could not rest when there were no customers because they had to do other chores such as washing dishes and cleaning up the tables.

Under labour law, children are prohibited from working between 10 p.m. and 6 a.m. They are also not allowed to work in places selling alcoholic drinks, yet the report says 41 per cent of the children are working in places which do so.

The law also says overtime must be paid if work time exceeds nine hours; 61 per cent of the children, however, say they have never received any overtime payment.

The children, however, have nothing to complain about when it comes to food. As many as 94 per cent said eat three meals a day, a great improvement on the situation at home.

But when falling sick, only 39 per cent said they could rest without a pay cut or having to pay for medicine themselves. The same number said they could ask for business leave from their employers when the necessity arose.

Fifteen per cent said they had had accidents at work. One said he was hit by a car while crossing the street to serve food on the other side.

Almost all of the working children live with their employers, and the report says boys and girls are generally housed together in the same bedroom.

Two said they had to sleep on the floor with 20 other children in the same room, with only one electric fan to keep the mosquitoes away.

As to their rare free time during the day, most children said they used it for sleeping, watching television or video movies, and washing their clothes.

On holidays, the children preferred going out with their friends to amusement parks, shopping centres, public parks, and to the movies.

Apart from toilet facility problems, the working children com-

plained about aspects of their work environment, including loud noises, harassment by drunken customers, and dirty workplaces.

Homesickness is also common. Some appeared to be withdrawn and always felt sleepy. Some avoided having baths. Some suffered frequent headaches and often had quarrels with their friends and employers.

Growing up in a new environment also has significant effects on them physically and psychologically.

Boys are growing taller and thinner. Their new lankiness often leads to clumsy mistakes and to scoldings from their employers.

Girls are also blossoming, which brings greater risks of sexual abuse.

Leanings toward homosexuality are more evident among the boys. Asked how they felt when courted by customers of the same sex, 23 per cent of boys said they liked it, while only five per cent of girls said so.

About 11 per cent of all children said they had sexual problems but they did not describe them in detail.

Psychologically, the working children are prone to self-doubt and low self-esteem.

Like any teenagers, the children suffer fast-changing temperaments, nervousness, fear of contempt, and ambitions influenced by their favourite stars and singers.

Boys are also reported to be concerned more with future security and occupation while girls are more plagued by concerns of physical awkwardness and appearance.

Girls also feel worse about themselves and their jobs.

According to the report, twice as many girls as boys tended to look down on their jobs as inferior and contemptible, and disliked having put up with leering looks and verbal harassment from customers.

There is no accurate figure for the number of child workers in this night-time food business, said Ms Chompunuj of the Foundation for Child Development.

"This is because there are no official agencies in the Labour Department or in the Bangkok Metropolitan Administration that are directly responsible for this matter," she said.

CABINET STRENGTHENS ANTICORRUPTION LAW

BK240321 Bangkok THE NATION in English 24 Sep 86 p 3

[Text] The Cabinet yesterday approved in principle an amendment to the anti-graft law to give the Counter Corruption Commission (CCC) more power in dealing with corruption by government officials.

Under the amendment to the Counter Corruption Act 1975, the CCC will be empowered to recommend to the prime minister that he dismiss from government service officials who become conspicuously wealthy and fail to clarify the sources of their fortunes to the commission.

It also authorizes the CCC to launch investigation into irregularities allegedly committed by lord mayors, municipal council members, provincial council members, kamnan (village group head), village headmen as well as government officials and state enterprise employees.

Under the current law, the anti-graft body has only authority to pursue graft cases against permanent officials.

Government spokesman Michai Wirawaithaya said the government-proposed bill will be referred to the House of Representatives for approval soon.

Other points in the proposed amendment stipulate that:

-- Government agencies or state enterprises make clarifications to any issues to the CCC within 30 days after being requested. In case they are unable to produce clarifications in time, they must inform the CCC 15 days in advance.

-- The CCC must swiftly launch a probe into any scandals after receiving complaints. The CCC must also let accused officials respond to the charge before concluding that the charge has sufficient grounds.

-- If the CCC rules that the accused officials should be suspended from service, it must refer its recommendation to the prime minister. And if the premier approves the recommendation, superiors of the accused officials must act in accordance with the recommendation.

-- If the CCC finds sufficient evidence to accuse the officials, it is required to notify the prime minister and submit the case to their respective superiors for further disciplinary punishment.

-- The superiors of the accused officials must order the setting up of a committee to probe the charge within 15 days after receiving the case from the CCC.

-- The superiors must consider punishment against the officials if the investigation results found them guilty of the charge.

-- The superiors who fail to abide by the mentioned requirements are subject to disciplinary punishment.

-- The CCC is empowered to pursue graft cases against retired officials within one year after their retirement.

/12624

CSO: 4200/16

## BRIEFS

**THAI RICE EXPORTS**--Thailand exported 3.2 million [metric] tons of rice from January to August this year, up 10.3 percent from the same period last year, an official of the Board of Trade of Thailand said Thursday. Value of the January to August export was estimated at 14.4 billion baht, or \$551 million. In the 1st 8 months of 1985, Thailand exported 2.9 million tons of rice worth 16.8 billion baht, or \$642 million. Earnings fell this year despite the increase in export volume because of low world market prices. Brazil has topped the list of Thai rice buyers this year with purchases of 276,750 tons, followed by China, Senegal, Singapore, Madagascar, the Soviet Union, and the Netherlands respectively. [Text] [Bangkok Voice of Free Asia in English 1500 GMT 12 Sep 86 BK] /12624

**MARIJUANA BURNED IN RAID**--Chiang Mai--More than 200 [metric] tons of marijuana plants went up in smoke after helicopter borne troops seized and set fire to an illegal plantation in Lampang Province over the weekend. Office of the Narcotics Control Board [ONLB] officials said the marijuana was worth about four million baht. No suspects were arrested in the two-day operation. Authorities said that villagers in Doi Langka, Muang Pan sub-district, had been hired to look after the 49-rai plantation. About 100 rangers and provincial policemen were dropped from three helicopters into the remote village on a hill which borders Lampang, Lamphun and Chinag Mai provinces. The villagers denied any knowledge of the marijuana plantation which was very well maintained, officials said. They said the ONCB planned the raid after learning that a merchant from Kalasin Province had begun the illegal planting with the help of natives. [Text] [Bangkok BANGKOK POST in English 23 Sep 86 p 1 BK] /12624

**NEW ISOC COMMUNIST-FIGHTING STRATEGY**--The Internal Security Operations Command, or ISOC, is shifting its strategies from military suppression of communist insurgents in rural areas to peaceful and political means to fight urban communist infiltrations. Deputy Army Chief of Staff General Wanchai Ruangtrakun said that at the moment not a single province could be classified as a red zone of communist infested area. Many of the areas formerly classified as such had also been turned over to civilian administration, he added. The ISOC's new policy is awaiting the approval of Army Commander in Chief Gen Chawalit Yongchaiyut, who is also the ISOC director. Government officials, the private sector, and civilians will continue to take part in ISOC education programs designed to stunt the growth of communism. Despite the market decline in communist activity, he said, official monitoring of communist movements would be continued. [Text] [Bangkok Domestic Service in English 0000 GMT 22 Sep 86 BK] /12624

**NEED FOR MORE CHECKPOINTS DISCUSSED**--In response to the call by the Lao ambassador that Thailand open more border checkpoints for trade. Interior Minister general Prachuap Suntharangkun said this is a rather delicate political issue. He said the Thai Government has already been flexible on the matter. The governors of the border provinces have always been flexible on the problem with a view to forge better relations between the two countries. Gen Prachuap said official agencies concerned will have to talk it over and study carefully whether more border check points should be set up. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT GMT 23 Sep 86 BK] /12624

**AID CUTS UNAFFECT PROGRAM**--The Royal Thai Air Force is in the process of installing the air defense system as a part of its 5-year development program during 1985-1989. The project, involving a 4,000 million baht fund, is for the installation of the air defense system in three areas -- central northeast, north, and south. Work has begun for the central northeast, which is considered the most important. Meanwhile Air Chief Commander in Chief Praphan Thupatemi, in answering to a press question on the impact of the U.S. reduction of assistance to the Thai Armed forces, said the Royal Thai Air Force development plan would not be affected since the Royal Thai Air Force has been using its own budget. Air Chief Marshal Praphan revealed that the 1987 budget for the Air Force is 8,500 baht, 20 percent of which is set aside for the development. [Text] [Bangkok Domestic Service in English 0000 GMT 22 Sep 86 BK] /12624

**U.S. MILITARY AID CUTS**--United States plans to cut foreign military aid will affect Thailand, but the amount has yet to be determined by the Congress, Defence Minister Phaniang Kantarat said yesterday. ACM [Air Chief Marshal] Phaniang said the U.S. had informed Thailand of the cut in military assistance, especially long-term credits provided under the Foreign Military Sales program, which totalled \$95 million for Thailand last year. The U.S. notification will allow Thailand to adjust its defence structure in anticipation of lower U.S. military aid. Congress has not yet decided on the exact amount. The Defence Minister also said Foreign Minister Sitthi Sawetsila, who left last night for the U.S. will hold talks with Washington officials on the setting up of an American arms stockpile in Thailand. ACM Phaniang said counter-trade of military equipment and agricultural products was possible, and he had ordered the Armed Forces to submit specific requests for weapons or equipment to the ministry. He expressed concern that innocent Thai villagers may become victims of the Vietnamese landmines which were often planted close to or inside Thai border areas. [Text] [Bangkok BANGKOK POST in English 20 Sep 86 p 1 BK] /12624

**MINES PLANTED ON BORDER**--Vietnamese forces in Kampuchea are planting more than 500,000 anti-personnel landmines along the Thai-Kampuchean border to prevent infiltration by the Khmer resistance guerrillas, the spokesman of the Supreme Command said yesterday. Spokesman Lt Gen Wichit Bunyawat told a monthly news conference that the landmines were sent last month by "Headquarters 479" of the Vietnamese forces in Siem Reap and Oddar Meanchey to the Vietnamese units opposite Si Sa Ket, Surin and Chanthaburi. He said 258,000 landmines were sent to the Vietnamese units opposite the first

two Thai provinces and another 266,600 to those opposite Chanthaburi. Wichit also said that during the same month, 396,000 steel spikes were also supplied to the Vietnamese forces along the border. He said the planting of the landmines and the spikes was part of the so-called "Plan A-5" of the Vietnamese to prevent Khmer rebels from penetrating deeper into Khmer territory. He expressed concern that innocent Thai villagers may become victims of the Vietnamese landmines which were often planted close to or inside Thai border areas. [Text] [Bangkok THE NATION in English 26 Sep 86 p 1 BK] /12624

BELL HELICOPTER PURCHASE DEFENDED--Navy Commander-in-Chief Adm Nipon Sirithon insisted yesterday that the selection of the Bell 214st helicopter as against the Sikorsky Black Hawk was conducted in accordance with correct procedures and that the proposed deal will save the Royal Thai Navy [RTN] about 140 million baht. Adm Nipon was speaking to a group of commanding officers attached to the RTN headquarters as a team of senior navy officers and representatives of United Aerospace (Thailand) Co Ltd, the agent of U.S.-Based Sikorsky Co Ltd, presented their cases in a meeting with Defence Minister ACM [Air Chief Marshal] Phaniang Kantarat at the Defence Ministry in the afternoon. United Aerospace, which was vying for the deal with RTN has charged that the Navy ignored its latest offer to cut the price for five Black Hawks or UH-60 as to US \$32.7 million compared to US \$33 million proposed by Bell Helicopter Textron Inc for the same number of Bell 214STS, prompting the Defence Ministry to order an inquiry into the matter. Emerging from the meeting which lasted about one and a half hour, Royal Fleet Chief of Staff Vice Adm Thaklaeo Sisamrit, who led the RTN team in his capacity as chairman of the procurement committee, refused to reveal details of the talks which were also attended by the other members of the procurement committee. [Excerpt] [Bangkok THE NATION in English 20 Sep 86 p 1 BK] /12624

CSO: 4200/16



BRIEFS

NEW ADMINISTRATIVE AREA--Phnom Penh SPK September 18--Dangkao a former district of Kandal Province, has been annexed as a precinct to Phnom Penh City. This was stated in a decree issued on September 6 by the Council of Ministers of the People's Republic of Kampuchea. [Text] [Phnom Penh SPK in English 1102 GMT 18 Sep 86 BK] /12624

HUNGARIAN LECTURER VISIT--Phnom Penh SPK September 18--Prof. C. Kozma Ferenc, lecturer at a higher political school of the Hungarian Socialist Workers' Party, left Phnom Penh today after a three-day visit to Kampuchea. While in Kampuchea, he gave lectures at the office of the committee for propaganda and education of the People's Revolutionary Party of Kampuchea Central Committee, and was received by Men Sam-An, Politburo member, and president of the party CC's Commission for Organization. He also visited the national museum, the former royal palace and the Tuol Sleng museum of genocide in Phnom Penh. [Text] [Phnom Penh SPK in English 1105 GMT 18 Sep 86 BK] /12624

NORTHERN VIETNAM STORM DAMAGE--Phnom Penh SPK September 23--Chea Sim, chairman of the Kampuchean Fatherland, has sent a message to his Vietnamese Counterpart, Huynh Tan Phat, expressing sympathy over the losses of human lives and property caused to northern Vietnam by the Storm (Wayne) on September 6. In his message, Chea Sim said: "On behalf of the Front National Council and the entire Kampuchean people and in my own name, I would like to express deep sympathy to the storm victims in the five provinces at northern Vietnam, especially Thai Binh and Ha Nam Ninh". "I'm firmly convinced that under the clear-sighted leadership of the Communist Party of Vietnam, the fraternal heroic people of Vietnam will soon overcome the consequences left behind by this natural calamity and bring their lives back to normal". [Text] [Phnom Penh SPK in English 1137 GMT 23 Sep 86 BK] /12624

FINANCE MINISTRY DELEGATION--Phnom Penh SPK September 23--A delegation of the Ministry of Finance of the People's Republic of Kampuchea, led by its deputy-ministry Nguon Peng, was back home Wednesday afternoon after a ten-day visit to Laos. While in Laos, the delegation visited various factories, construction sites and cultural and historical places throughout the country. [Text] [Phnom Penh SPK in English 1125 GMT 23 Sep 86 BK] /12624

SCHOOL YEAR OPENING--Phnom Penh SPK September 24--Speaking at the opening of the new school year in Vat Phnum junior high school in Phnom Penh, Nguon Nhel, candidate politburo member of the People's Revolutionary party of Kampuchea and secretary of the Phnom Penh party committee, expressed his joy at the development in education over the past seven years, and attributed the achievements to the might of solidarity between the revolutionary authorities at all levels and parents and teachers. He noted the increasing numbers of students of all levels in this school year which were never achieved in the previous regimes. Nguon Nhel highly praised the Kampuchean people's efforts in overcoming the grave consequences left behind by the genocidal Pot Pot regime and urged the students and pupils to link study with practice, education with production and schools and society and study hard to become good citizens. He also urged their parents to closely cooperate with the local authorities and teachers in solving the shortage of school materials. [Excerpt] [Phnom Penh SPK in English 1119 GMT 24 Sep 86 BK] /12624

CSO: 4200/16

## TRIBESMEN TAUGHT TO FIGHT CHINESE INFILTRATION

Hanoi NHAN DAN in Vietnamese 21 Jul 86 p 3

[Article by Hoang Tuan Vien: "Skillfully Motivate the Masses To Fight Against Chinese Spies and Scouts"]

[Text] After being educated and enlightened by Tran Duc Thang, a former bandit told him: "My dear cadre, my hands were stained with the blood of many revolutionaries 20 years ago. Contrary to my expectation that the administration and people would take revenge, I was treated leniently and allowed to reunite with my family and enjoy all rights like other Hmong tribesmen. While I could not yet show gratitude for such benevolence, the Chinese reactionaries repeatedly sent their lackeys to contact and urge me to work for them against Vietnam. But I refused to do so because I had been enlightened by you and the people."

This man is one of many former bandits whom the Chinese reactionaries have tried to turn into their henchmen but who have been enlightened by Tran Duc Thang and transformed into progressive persons. For many years, Tran Duc Thang has devoted himself to the mass movement for vigilance against Chinese spies and reactionaries in the northern border areas.

Thang was originally a Hanoi youth. After joining the people's security forces as he had wished for and after undergoing special professional training, he voluntarily accepted an assignment in Ha Tuyen to work in a frontline area where difficulties and hardships abounded and the struggle was fierce. While there, he learned from the rich experiences of his comrades in arms.

His comrades in arms helped him discover the secret for holding his ground in this hotly contested area--that is, the need to understand tribal languages fully in order to eat, live, produce, and fight together with the local people. To get acquainted with these languages, he began by doing spelling drills and training himself through soliloquies and then tried to form sentences and choose proper words. By studying patiently, he was finally able to understand and speak the languages of the Hmong and other tribes in this region.

Equipped with this effective "weapon" and with a knapsack slung over his shoulder and containing some clothes, a kilogram of dried food, a hammock, a flashlight, and a water bottle, every day Thang headed for Montagnard hamlets

and villages to meet people and to eat, live, work, produce, and study with them. The local people trusted and loved him and helped him to seek and meet former bandits. He educated these persons, aroused their vigilance against the wicked plots and tricks of the Chinese reactionaries, and created favorable conditions for them to make progress and to become attached to their localities, country, and tribes, thereby quickly checking enemy activities aimed at establishing clandestine connections. As a result, the mass movement gained in strength and overwhelmed local reactionaries. The Chinese reactionaries often used a large number of troops to exert pressure, to launch attacks, to make encroachments, and to instigate counterrevolutionary revolts. However, the local security battlefield was firmly defended. Tribesmen promptly detected the enemy activities and captured many groups of Chinese spies and scouts while they were infiltrating our territory. After drawing on his experience in motivating the masses in a single Montagnard village to build up the movement to defend the fatherland security, Tran Duc Thang extended this movement to many others.

With the assistance of the local administration, cadres, and people, Tran Duc Thang personally conducted investigations to shed light on many cases of border infiltration by the Chinese, uncovered three spies and their three clandestine bases, and contributed to the discovery of many other espionage cases. He has been continuously considered an emulation fighter in his own unit and has also been awarded the "national emulation combatant" title.

9332/12379

CSO: 4209/780

## ARREST OF CHINESE SPIES, SECURITY MOVEMENT DISCUSSED

Hanoi NHAN DAN in Vietnamese 18 Aug 86 p 2

[Unattributed report: "Security in a Mountain District"]

[Text] A Lesson in Vigilance

Relying on the masses, Na Hang District in Ha Tuyen Province promptly discovered and arrested four groups, including seven Chinese intelligence agents and spies who infiltrated this area. According to their background files, these men were tribesmen from northern border provinces or ethnic Vietnamese who had migrated here from the lowlands. Actually, they were Chinese who had been trained at an intelligence school in Beijing. They had infiltrated this district using different routes. For example, the team of "carpenter" Hoang Van S consisted of four people from the Dai Truc Commune in Quangsi Province in China. These people settled down in a number of lowland provinces, married Vietnamese women, and then moved to Na Hang. This group had been well trained in everything from operations procedures to camouflage techniques. They were clever at establishing a "cover" to fool our security forces. Each one was skilled in several occupations, each of which was in accord with the needs of our minority peoples (such as doing masonry and carpentry work, providing medical treatment using Vietnamese medicinal herbs, and practicing astrology). They studied the customs, habits, and needs of each locality and understood the thinking, feelings, and psychology of the people and of the cadres and party members at the production installations.

The operated in different groups. But wherever they were, they made it a point to become acquainted with the village cadres, particularly key cadres such as the village secretary and chairman, the head of the village security unit, and the leader of the village military unit. To build good will, using their skills, they enthusiastically helped carry out various tasks without taking any money, or charging only a small amount, for their services. After getting to know people, they held parties and organized festivals and tried to "become brothers." Some married Dao women and gave the appearance of leading a very happy and contented life. But actually, they wanted to penetrate deeper and deeper among the Dao tribesmen. From becoming acquainted with village cadres, they expanded their circle of acquaintances to many other people. Using similar methods, they became familiar with district cadres and asked to "work" for district organizations.



After establishing their "covers," they quietly began making arguments that distorted the lines, policies, and positions of our party and state. They also paid bribes and tried to destroy cadres. They tried to get people to gamble, to become superstitious, and to use opium.

During the recent self-criticism and criticism campaign, the cadres and party members learned a profound lesson: We must constantly increase our revolutionary vigilance and strengthen internal control concerning both ideology and organization.

#### Protecting the Party and the Mass Movement To Maintain Security

Through the movement to maintain the security of the fatherland, the bases have launched the masses to struggle against the enemy's multi-front war of destruction, oppose negative phenomena in society, clean up the area, and put an end to the factors that the enemy can use to attract people and lead them astray. This is also an effective way to organize the masses to participate in building and protecting the party and defending the revolutionary regime and other organizations in the dictatorship of the proletariat. In Na Hang, the self-criticism and criticism campaign of the cadres and party members on the concept of protecting the party was carried on simultaneously with the launching of the mass movement to protect political security and social order.

This movement has helped maintain internal politics. The masses have contributed almost 1,600 ideas, discovered households that had established illegal residences, and uncovered people who were serving as lackeys for the enemy and who were engaged in illegal economic activities.

During the movement to maintain the security of the fatherland, the masses have furnished data and helped the agencies responsible discover political, criminal, and economic crimes. They have helped the party organizations arrive at quick conclusions, promptly expel degraded party members, and purify the party organizations, and they have participated in educating and reforming "gamblers."

Tying the work of protecting the party to maintaining political security and social order has made it possible to purify the party organizations, regime, and mass organizations and protect the ranks of cadres and party members. This is the result of protecting the party and of carrying on a mass movement to maintain the security of the fatherland.

The Na Hang district CPV committee is concentrating its efforts on consolidating the inferior basic party organizations, increasing the combat strength and leadership capabilities of the party organizations, successfully completing the political tasks in the localities, and opposing the enemy's multi-front war of destruction.

The strength of the party is manifested in the integrated strength of the dictatorship of the proletariat. Because of this, the consolidation of the party bases in Na Hang has been carried on simultaneously with strengthening the administrative apparatus and the mass organizations.

11943

CSO: 4209/15

## ILLEGAL BUSINESSES EXPOSED, PENALIZED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Aug 86 p 2

[Text] Recently, economic protection agencies in Ho Chi Minh City have uncovered and penalized several cases of smuggling and serious cases of unlawful businesses. Smuggling of state-controlled substances such as gold, precious stones, incense, and fuel used to take place on sea lines and on railroad and highways through the borders. Working in close coordination and knowing the smugglers' operating procedures, customs, police, and market management forces have been successful in breaking important smuggling chains, arresting the criminals, and recovering for the state millions of dong. Inspecting 3 counters of business cooperatives selling hardware and electrical appliances in the 1st and 3d Precincts, the economic police uncovered an important number of goods smuggled in by shareholders to dodge taxes, including 3 "Cup" Hondas, 2 Hondas, 42 sewing machines, 20 refrigerators, and 6 washing machines. At the Tran Chanh Chieu rice market (5th Precinct), in only 1 week, market management forces made arrests in 62 cases in which dishonest merchants unlawfully competed with the state in buying commodities or colluded with employees of business cooperative stores to siphon off rice. Many other cases of merchandise substituting for the purpose of unlawfully chalking up price discrepancies that had been mapped out by business cooperative stores and some district synthesized-trade corporations were also dealt with in a timely manner. Recently, the economic police placed under arrest 2 owners of business cooperatives in the 6th Precinct who were charged with stealing 24,000 notebooks. Under contract with the Southern Sundry Co. (of the Ministry of Domestic Trade) to supply notebooks with 96 pages, the offenders attempted to deliver the products with only 80 pages each and siphoned off the remainder to sell on the free market. Due to the above actions, the city private industry and commerce reform sector, in coordination with goods production corporations, have reorganized and strengthened business cooperative stores. Also recently, city functional sectors handled many cases of theft of socialist property in some state agencies. Acting on a worker's complaint, the police inspected the gasoline depot of the Southern River Transportation Co. and uncovered a shortage of 44,000 liters of diesel, 13,000 liters of oil, and 4,000 liters of gasoline. The warehouse keeper of the Technical Worker School of the city communications and transportation department plotted with dishonest merchants and siphoned off 17,600 liters of diesel, over 1,000 liters of oil, and 286 liters of gasoline. The above cases were investigated and reports were submitted to the judicial branch for prosecution. After carrying out the directives on self-criticism and criticism, many agencies have set up special inspection task forces to probe property losses denounced by party members and citizens.

## EDITORIAL PRAISES SPEECH BY TRUONG CHINH

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Aug 86 pp 1, 4

[Article by Chau Ai: "Small and Big Stories Gathered Between Vung Tau and Binh Chanh"]

[Text] It has been quite a long time until I was able to stop over in Vung Tau for a couple of days. Perhaps as in any other place, the people here were still burdened with day-to-day worries, but there seemed to be a bit of serenity after they experienced certain changes. The vicissitudes of life have at least taught man how to identify problems and cope with them. A city such as Vung Tau cannot lack some freshness and grace as it had, has, and will have. Notwithstanding bigger achievements, this little thing I observed had already the merit of making life more bearable: the women and young girls selling shrimp paste, crabs, sentinel crabs, and charbroiled and boiled corn at the front and rear sandbanks looked as if they had been able to remove some weights from their hearts, and their conversations sounded more cheerful than before (physiognomy-reading and sound-listening may be good ways to understand human character). What was observed was perhaps a form of communication, and a signal for whoever really cares about the people's livelihood. To be honest, the picture was not solely rosy, and it would be wrong not to mention some bad habits which were still lingering: a hotel employee near the swimming beach who was given the routine duty of planting parasols in the morning and removing them in the evening obstinately declined the request of some clients to move the parasol and chairs a few paces. He simply stated that "when the tide rises, I would not have enough time to pull the parasols." The client insisted and offered to do everything, including the removal of the parasol when the tide "chases" us, but the hotel employee adamantly refused. The client sat until noon and all he could see was an ebbing tide. Closely observing the employee's attitude, I was then aware that the employee did not care less about pleasing the in-and-out clients, yet he quietly kept his job, which is authorized in the table of organization and equipment, and he regularly got paid and received bonuses! Another story: a waiter in a noodle soup restaurant wanted a customer to sit at a table he designated. The customer disagreed, reacted with quite harsh words, and won the argument. The reason was that the waiter wanted the least work and tried to squeeze customers into a few tables to save him some cleaning chores. Those telling occurrences truly point out the need for change, in small and big things. These irresponsible and sluggish work attitudes are the vestiges of a lingering bureaucratic and overbearing style and evidently cannot be eradicated overnight. However,

it is obvious that in a not distant future, these stunted wrinkles in the face of our society will disappear with the institution of a good management system.

I had been absorbed in enjoying the scenery and observing the changes and innovations when I ran into some old friends. After a brief exchange of greetings, they took the lead in drawing me into the hottest theme of the day: "Dear friend, it has been quite a long time since we last met! Have you read the speech of Fifth Brother Truong Chinh?" They did not allow me time to answer and went on: "You know, the Vung Tau people were extremely impressed by the themes of the speech, especially those considering the people as the foundation of all policies and inviting compliance with regulations." As if in harmony with the caresses of the ocean's wind and the peaceful murmur of the waves, I shared in the joy with my friends, because what I heard was the source of my delight and strengthened my confidence in the party.

One day after coming back from Vung Tau, I took a ride with a friend and stopped over a few villages in Nha Be and Binh Chanh. I heard similar stories and ran into some other very close friends I had known when we were playing and swinging in some mangroves before and after the Mau Than Tet (1968). My old friends rarely read newspapers (partly because they were quite busy, partly because they had weak eyesight, and also because what the papers printed did not interest them). This time, as soon as we met, and even before we shook hands, they were visibly exuberant and talkative: "We have been after your paper, even without seeing any advertising. Promise us that you will try to improve it! You should know that the speech by Comrade Truong Chinh was superb! It was extremely worthwhile, and the people just loved it, particularly when the comrade discussed the problems of bureaucratic behavior and detachment from the masses and of the sluggishness of the economy, and when he commented on what norms should the government policies be evaluated as correct or incorrect, good or bad." My friends went on: "After listening to the portion of the speech in which Comrade Truong Chinh discussed rural work, a war hero mother of over 70 years old told a group of local cadres: 'Have you heard, you guys? Because they did not have a thorough understanding of the policies, they were reluctant to join. You failed to explain patiently to them what it's all about, and you did not care about waiting until they are completely convinced. What you did was, instead, put on their heads a huge label of selfishness and lack of exemplary spirit. Let me ask you this: if one were so selfish, how could she or he, at one time, make the sacrifice of the lives of her dearest children for the fatherland?'"

Why did Comrade Truong Chinh's speech at the cadre conference to study the draft of the political report to be presented at the Sixth National Party Congress trigger such an interest among our citizens and cadres? It is my opinion and also that of many people that the speech candidly dealt with several issues of survival that are the concern of many: "The strength of a nation and the strength of the revolution lie within the people. We must trust the people. Any political line and policy must place its foundation on the people. When we need to evaluate the policies, and to assess whether they are correct or incorrect, good or bad, we ought to look at the majority of



the people to see if they are enthusiastic and earnest in implementing them. Any policy that brings down the enthusiasm of the masses in work, and that impedes or slows down production, creates communications jams and difficulties for the people's livelihood, and jeopardizes development, must be eliminated or altered."

Comrade Truong Chinh's speech, whose contents were extremely profound and positive (its whole text appeared in SGGP's 26 July 1986 issue) assists various levels of the party, cadres, and party members in correcting assessing the situation in past years and defines the direction to follow, the objectives, and the missions in coming years. It helps every citizen understand the basic contents of the draft of the political report in order to make appropriate contributions. It makes extremely clear suggestions for the people to compare, to think, and to work with others in order to contribute worthwhile ideas and deeds for the building and protection of the city and for the building and protection of the fatherland. It also makes an important contribution in stimulating the change process in many fields: change in thinking, primarily economic thinking, change in work methods and attitudes, and change in organization and cadre management.

9458

CSO: 4209/842

## SUGGESTIONS FOR PARTY DEVELOPMENT

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Aug 86 pp 1, 4

[Article by Truong Xuan, Subward 12, 1st Precinct: "Party Development in the City"]

[Text] Eleven years after the liberation, the number of party members in the city has increased by 15 times, and as of April 1986, the number of new party members enrolled was 14,500 comrades (Phan Minh Tanh; "Let's Thoroughly Review the Quality of All Cadres," SGGP 20 May 1986).

The figures are indeed good news, if we look at their sheer face value. However, an issue is being posed: why has such a large number of party members been unable to develop to the fullest extent their leadership capabilities?

Certain comrades have subscribed to the idea that there has been a lack of proper consideration for the quality and norms of party enrollment. Here, I will limit my comments on an important cause, which is the uneven distribution of structural units in the city territory. After the liberation, wherever there were many cadres returning from the resistance or assigned from "R," the progress in party development was visibly faster. And wherever most cadres, workers, and employees were recruited from the local people, party development was sluggish. Certain units were unable to enroll any new members since the liberation, when in reality, there was no lack of good elements.

I would like to cite the case of a state-operated printing enterprise, which includes 6 to 7 workshops scattered in many places from the city to Thu Duc and has over 600 cadres and employees whom I know. Its party chapter had only 13 comrades, most of whom were assigned to indirect production units. Only two party members, originally transferred from the armed forces, were doing direct production work. I cannot ignore the fact that about one-third of those party members were not trusted by the masses. This situation has lingered for years.

Is it possible that we accept such an irrational situation?

After researching at various units, I have come to draw the following causes of the inertia in party development:

1. Party members at basic units lacked the unshakable understanding that it is their responsibility to contribute to party development in order to enhance the vitality of the party at basic units.

2. At many places, the "Do the easy tasks, get rid of the hard ones" syndrome was still deep-rooted among party members. Certain party members were haunted by the fact that their background was somewhat stained by, say, a relative who had been drafted into the puppet army or who had served the puppet government. A certain citizen was recommended by the local party chapter as possessing a good fighting spirit, but when his file reached the party committee, it stayed there for years, because his family was a trifle involved with the old regime.

Instances in which the lower echelon kicked the ball to the higher echelon, which in turn kicked the ball to a still higher echelon, were quite widespread, causing the basic unit to wait for years and undermining party development.

3. Responsibilities were not clearly given to party members for educating and assisting the people. I know that at many party units with not a few party members, a work assignment in party development was just a matter of form or of window dressing. Those party chapters with a few members of marginal quality even had more difficulties in educating the masses.

In the face of the above situation, I would like to recommend the following measures:

1. Re-plan party development in the city territory. On the basis of this new general plan, each unit will review its own party development situation and take actions to overcome immediately the causes of inertia.

2. In terms of a "stained" background, the organization bureau of the municipal party committee ought to recommend to the CPV Central Committee a set of determinations that are appropriate to the local situation in order to avoid erratic right- or left-leaning actions in party development. There is also a need to issue directives detailing standards in reviewing the background of candidates to facilitate the work of party chapters in background review.

3. Party chapters and cells will need to enhance further the responsibility of each comrade in party development. Obviously, it is correct not to attach too much importance to the number of party members, but one must bear in mind that if that number is too low, the party organization would consequently be weak, and the side-effects of this weakness may be a bureaucratic attitude and detachment from the masses.

I hope that on this occasion, party development will be closely linked to the present phase of self-criticism and criticism of various levels of party organizations.

9458/12851

CSO: 4209/842

## READERS' SUGGESTIONS FOR PARTY CONGRESS

## Provision for Material Supplies

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Aug 86 pp 1, 4

[Article by To Van Chung of Tan Binh: "From the Plan on Paper to Palpable Provisions to Pick-up Plan"]

[Text] Each quarter, districts and wards are informed of the norms of various plans by the municipal planning commission, which is given power of attorney by the municipal people's committee to this effect. The municipal people's committee may also directly assign economic, cultural, and social development plans to be carried out in the district or ward territory. Among those plans, there is one for the provision of material supplies by municipal agencies in the district or ward.

When in receipt of the material supply distribution norms, the district or ward can only be half happy, for the other decisive half is the ability to touch the material supplies or, in other words, to have the material supplies in its own warehouse. In reality, the districts or wards have never received all the material supplies in the correct quantity and quality as specified in the plans. They used to wait month in and month out until the quarter was exhausted and yet they heard no news from any source of supply. Therefore, if the supplier gave something that did not meet the specifications, the districts or wards were too happy to refuse. Better have something than nothing. We all know that we are presently confronting scores of difficulties in the field of material supplies, but that is no excuse for lying to each other and for suggesting, through figures that are so-called regulated norms, a false hope whose end result is nothing but disappointment.

I recommend that the municipal planning commission enter in an unequivocal contract with the supplying agency when the latter provides material supplies for the basic units. The scientific and consistent nature of the provision plan must be respected, and every operation in the distribution and receipt of material supplies by the supplier and the beneficiary must be closely monitored in order to solve any problem or difficulty that may arise.

Finally, a regulated norm, understood in the strictest sense of the phrase, must be thoroughly complied with by related functional services and sectors.

A form of award must be granted to suppliers who accomplish their missions well and, on the contrary, those who fail to do so must be appropriately dealt with. That is the only way to advocate the regulated nature of the plan.

### Training of Workers

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Aug 86 pp 1, 4

[Article by Le Hoang Phuc of Vinalimex, Ho Chi Minh City: "Enhancing the Capabilities, Professional Skills, Morality, and Revolutionary Quality of Young Workers and Cadres"]

[Text] In our city, in the past 11 years, the education and training of workers and employees have usually been focused on addressing the day-to-day needs and requirements in advanced training and on upgrading individuals earmarked by official policy and workers who themselves or whose families have made worthwhile contributions for the revolution. Assessed in terms of a total, permanent, systematic, and long-lasting education and training policy for the whole worker population in an enterprise, a policy which is closely linked to and decisively affects the very survival and progress of an enterprise, the achievements obtained are far from being enough. In other places and times, the training of workers who had been in combat or who had given their contribution in the assault youth forces or armed forces was not done as it should have been or was too slow in view of the needs of the enterprise and the age of the workers.

Certain workers who had been with the enterprise for decades were not assigned to advanced training to enhance their skills and professional and technical abilities or, in other words, were not given the chance to be trained by the enterprise. They soon became old-before-their-age "public servants," going to work every morning and returning home every evening in a monotonous and uneventful way, abandoning all expectations and dreams, and dropping any desire for self-improvement. They became immune to change, their knowledge dwindled, and their spirit of initiative dried up.

Therefore, in the present period of difficulties we are confronting and, in preparation for a brighter future, to vest in the basic unit the special authority to provide training and improvement for its workers according to a long-range and uniform objective which is consistent with the business, production, and research missions defined by the state is a most indispensable and urgent task.

To assist in the enhancement of the workers' capabilities and professional skills in our enterprises, I would like to suggest the following measures:

1. A relatively concrete policy for the assignment and promotion of cadres, workers, and employees must be instituted.
2. More difficult tasks must be gradually assigned to subordinates and expand their authority, because "man always yearns to expand his power to make decisions on his own work and find there something greater than the satisfaction of ordinary material needs."

3. Self-improvement and learning are to be compulsory for each worker. The enterprise has the responsibility for assisting in the rapid enhancement of the workers' capabilities, allowing them to grow and become, as soon as possible, commensurate with the planning, economic, and management know-how in the world. The enterprise must also consider the sending of workers to seminars and training courses held abroad, etc.

4. Trade and occupation clubs and specialized-study groups must be organized in order to improve knowledge, disseminate news, exchange experiences, learn from one another, enhance the spirit of solidarity and fraternity, provide for mutual assistance in the long run, implement certain worthwhile projects, etc.

The above is some of my thoughts. Being of the younger generation, and a graduate of a socialist college, I have been in the city foreign trade sector for 6 to 8 years. It is my belief that a cadre must have the following strengths: he must have high professional skills, speak foreign languages fluently, have good experience and know-how in business transactions and in payment procedures with foreign countries, and possess the qualities and morality of the new socialist man.

It is also my belief that in the existing livelihood and work conditions, if relegated to himself, it will take quite a long time for him to attain the above standards.

In the immediate future, with regard to the foreign trade sector in the city (including export-import agencies belonging to the central government located in the city and Ho Chi Minh City Foreign trade agencies), I suggest that the offices of the Foreign Trade Ministry and of the College of Foreign Trade and the Ho Chi Minh Youth Union of the foreign trade bloc work together in setting up seminars and lectures (after work-hours) on payment procedures in business transactions with foreign countries and on foreign trade economic organization, business correspondence, specialized foreign languages, etc. for cadres within the sector. In addition, I recommend that the Ho Chi Minh Youth Union of the foreign trade bloc take the initiative to organize activity clubs, focusing on purposes suggested in item 4 above or on another more sophisticated and richer purpose, in order to allow us to learn as soon and as the most as possible, to grasp the fluctuations of the international business world each week and each month, and to replenish rapidly the indispensable technical knowledge, because our existing "technical capital" is quite marginal and extremely backward.

9458/12947

CSO: 4209/843



## PARTY COMMITTEES BRING IN YOUNGER MEMBERS

Hanoi NHAN DAN in Vietnamese 17 Aug 86 p 1

[Unattributed report: "Through the Party Organization Congresses, Many More Young Party Members Participate at the Committee Echelons"]

[Text] Many provincial, municipal, district, and ward CPV committees are giving much attention to bringing many more young, talented party members with adequate standards and good quality into the primary level committees. Hanoi and Haiphong cities and Quang Ninh, Ha Nam Ninh, and Ha Bac provinces recently organized party organization congresses at a number of villages, subwards, and enterprises in order to gain experience in guiding the other bases in holding congresses. These party organization congresses elected a number of young party members to the committee echelons. The party organizations at the Tan Long Enterprise and at Nam Son Village in Haiphong elected new party committees, and the average age of the committee members is 2-5 years younger than those serving on the committees the previous term. Quang Ninh Province recently held a party organization congress at the Trung Tam Machine Enterprise. Three young party members who are directly involved in production activities were elected to the party committee.

The Na Nam Ninh provincial CPV committee has guided the village and enterprise party organizations in strengthening basic party committees and lowering the average age of the members beginning this term. This is regarded as an important step in reinvigorating the ranks of cadres beginning at the primary level. Implementing the policy of the provincial CPV committee, after holding party congresses, the village party organizations in Hai Hau District lowered the average age of the party committees. The party organizations in Hai Dong and Truc Thai villages and at the District Grain Corporation have brought many party members below the age of 30 into the party committees. As a result, the average age of the members of this term's party committees has dropped to 34, which is 3 years lower than during the previous term.

Even though Nghe Tinh and Ha Bac provinces did not begin strengthening the basic party committees until the end of 1985, this time the village, enterprise, and state farm and forest party organizations made plans to bring a number of young party members into the party committees in order to strengthen the combat strength of the party organizations and create conditions for training ranks of cadres for the villages and districts in the coming period.

11943

CSO: 4209/14

## RESPONSIBILITIES OF PARTY MEMBERS DISCUSSED AT PARTY CONGRESS

Hanoi NHAN DAN in Vietnamese 18 Aug 86 pp 1, 4

[Article by Hong Khanh: "Party Member Responsibilities Through a Commercial Corporation's Party Organization Congress"]

[Text] More than 100 party members belonging to the party organization of the Hanoi Cloth and Ready-Made Clothing Corporation held a congress. Prior to that, party members at 20 party chapters held serious and constructive discussions on the draft documents of the CPV Central Committee, municipal and ward CPV committees, and basic party committees. This corporation specializes in silk cloth, woolen materials, and ready-made clothing. It provides most of the clothing purchased by the people of Hanoi and some of the cloth and ready-made clothing purchased by the tens of thousands of customers who pass through Hanoi each day. The corporation has 1,250 cadres, workers, and employees, more than half of whom are women. Among these are 1,067 laborers who work at 11 stores, sewing stations, storehouses, and purchasing units. On the average, there is one party member for every eight people in the corporation and one Ho Chi Minh Communist Youth Union member for every three people.

Of the first five people who got up to voice their opinions, two worked at a store and sewing station and one worked in a market management unit. They explained things as they understood them and expressed total agreement with the draft documents of the CPV Central Committee to be presented at the Sixth Party Congress. In evaluating the economic and social situation, ideas were discussed vigorously, evidence was cited, comparisons were made, things were analyzed, and the reasons for the achievements and difficulties were discussed. The comrades all stressed and confirmed that the party's line is completely correct. But because of poor organization and guidance in implementing this line, because the methods and steps have not been in accord with reality, because of laxity in the dictatorship of the proletariat and a lack of resolve in controlling and supervising things, and because of a lack of policies and a specific and uniform management mechanism, there have been shortcomings and difficulties.

Party Member Nguyen Thi Hao, the head of a tailoring section at Sewing Station No 17 said: "Looking at the capital, we can see this clearly. It's said that production is the foundation. But higher echelons have not provided the

production installations with adequate materials, equipment, workshops, electricity, or water.

"It's said that agriculture is the leading front, but little money has been invested in agricultural projects. At the same time, many non-production projects have sprung up. People are told to become masters of the markets, promote market reform, oppose speculation and smuggling, and turn over goods and money to the state. But in doing this, there is a lack of determination and uniformity. After a short time, things become lax again." Hao concluded that the "party's policy is correct, but organizing and guiding the implementation of the line has been poor."

During implementation at lower echelons, higher echelons have not controlled or supervised things. As a result, many things have ended up with an "elephant's head and rat's tail." The comrades who spoke all expressed complete agreement with the targets and solution systems for the coming years mentioned in the draft documents of the CPV Central Committee. At the same time, they proposed a few more specific measures. For example, some said that something must be done to bring about social equality. President Ho's statement that "I do not fear shortages, only inequality," must be the daily guidance motto in every sphere. The principle of distribution based on labor must be implemented correctly. Many said that a labor obligation law must be promulgated and that there must be a clear mechanism for assigning jobs to the cadres, workers, and employees trained at the schools. Resolute action must be taken to put a stop to the situation in which those who produce goods are denied promotion while those who do nothing but sit along the sidewalks drinking receive promotions. Many hamlets and villages need teachers. But out of consideration, commercial stores in the capital hire engineers and teachers who have just graduated from the polytechnic and teachers colleges to sell goods.

Party members Vu Van Dat, Pham Thi Que, Nguyen Van thong, Tran Thi Kim Ha, Cao Van Sau, Nguyen Thi Kiem, and Nguyen Van Tien got up and spoke rather eloquently about a problem with which the entire party and all the people are concerned: how to expand production, especially agricultural production and the production of consumer goods, in order to have large quantities of products, overcome the present imbalance between supply and demand, and contribute to soon stabilizing the economic situation and living conditions. Many people suggested that higher echelons provide jobs for the tens of thousands of youths in the capital who have graduated from general school and who are old enough to work and for the tens of thousands of private merchants who want to switch from trading to production.

A party member stepped up to the podium. This was Nguyen The To, a worker. He expressed his absolute trust in the party and analyzed the economic and social achievements and difficulties. He said that "some of the blame for the present economic difficulties belongs to the central echelon and to the provincial, municipal, ward, district, and primary level units. But a large share of the blame belongs to party members. Our corporation has 1,250 cadres, workers, and employees working at almost all the cloth stalls and sewing stations in Hanoi. If everyone is working wholeheartedly to support the people and party and no one ever skimps on materials, engages in corruption, or helps

'smugglers,' then where do these people obtain the ready-made clothing that they sell along the sidewalks at highly inflated prices? I think that from the central echelon to the primary level, every party member must carry out his responsibilities well. Party members must not engage in corruption or make use of public property. If we do this, even if we encounter natural disasters or are attacked by the enemy as in the past, the economy and standard of living will still be better than today. Each of us shares some of the blame for the present difficulties. The only thing to do is resolutely correct the shortcomings in order to advance under the leadership of the party."

Everyone attending the congress listened intently when Ly Ba Hoan, the deputy party committee secretary and director of the Hanoi Cloth and Ready-Made Clothing Corporation, stood up and commented on what Nguyen The To had said. He said that the "congress has listened to the ideas of Nguyen The To. I would like to say a few words to you about him. For the past 32 years, he has been a worker here, making clothes for the people of Hanoi. He has never asked for anything. He joined the party at age 20. Every year, regardless of the situation, he has always exhibited the qualities of a party member. He has never taken any public or state property. He has worked hard and made many suggestions. The corporation's leadership has twice proposed that To become a management cadre. But both times, To has said that the corporation should not increase the number of indirect laborers but allow him to stay in his direct production section and continue producing products for society. He is one of our good party members."

Those who spoke after that stressed the role and responsibility of the corporation's party organization and of each party member in thoroughly understanding and implementing the lines and policies of the party. Each comrade defined his own responsibilities on the circulation and distribution front, a front on which each of the corporation's party members must fight each day.

Today, party members have an adequate understanding of their strengths and weaknesses, obligations, and responsibilities. They understand that in their position, every party member must do his best and do a better job than the masses. Recently, almost all of the corporation's sewing stations and stores have striven to find additional sources of goods, improve service formulas, and change the styles of the clothes in accord with consumer tastes and the cloth available. During the summer months and in preparation for the opening of the new school year, the corporation has increased the amount of goods available by 66 percent as compared with the same time last year. There are 97 new styles of clothes. During June and July, Store 58, Truong Tien, contributed more than 1.3 million dong to the state budget. Today, to prepare for the winter season and to score achievements to greet the Sixth Party Congress, the corporation is making innovations in cutting and sewing techniques and making available many new types of ready-made clothes for the capital's markets, clothes that are in accord with the tastes of the consumers, particularly laborers.

The corporation party organization congress reviewed the norms on the amount of goods to be sent to the markets between now and the end of the year. Many of those who expressed opinions at the congress said that these norms will

definitely be fulfilled. The corporation has great labor potential that can be manifested and many skills that can be exploited. Also, the management mechanism and the mechanism for organizing, guiding, and implementing things from the central echelon to the localities and from the municipality to the wards and districts will be improved.

If every basic party organization is strong and if every party member fulfills his responsibilities, the party will be strong, and it will be possible to fulfill the tasks given by the people and fatherland. Every party member of the Hanoi Cloth and Ready-Made Clothing Corporation now has a deeper understanding of this following this party organization congress.

11943

CSO: 4209/15



## INFERIOR COOPERATIVES ABOUND, POOR LEADERSHIP CITED

Hanoi NHAN DAN in Vietnamese 19 Aug 86 pp 3, 4

[Ideas To Contribute to the Party Congress column by Tran Chieu, My Duc District, Ha Son Binh Province: "There Are Still Many Inferior Agricultural Cooperatives"]

[Text] Examples of progressive agricultural cooperatives have appeared in many places, and valuable lessons have been learned in guiding the cooperatives in expanding agricultural production and building the new rural area.

Unfortunately, there are not very many of these progressive examples, and their good experiences have not been exploited or applied on a wide scale. Today, there are still many weak and inferior agricultural cooperatives.

Why is this? There are many reasons, but one of the most important is that the leadership of the primary level party organizations is poor. Many key cadres in the villages lack skills. They are of poor quality and lack confidence. In some places, there is a lack of solidarity, and cadres are irresponsible, undisciplined, and deviant.

Practice has proven that at the progressive models, the leaders have set examples in toiling wholeheartedly on behalf of the people. Some village chairmen and secretaries and cooperative directors understand farming. They work diligently and are always present in the fields. They have gained the respect and love of the people.

But at most of the inferior cooperatives, the key cadres lack a sense of responsibility. They are concerned only about their own interests and ignore the common work. Indifferent to the complaints of the people, they do as they please, extort money, and enrich themselves.

In view of this, we should like to suggest the following to the congress:

1. The village leadership apparatus must be strengthened. The agricultural cooperative management boards must be consolidated.

2. The agricultural cooperative statutes must be revised, and the agricultural cooperative management regulations must be perfected. Steps must be taken to have the peasants study these documents carefully in order to implement these regulations and monitor the activities of the cooperative management boards.

3. All-round inspections must be carried on at the inferior cooperatives in order to discover the reasons, launch the masses in a struggle to build, and find ways to overcome the problems and help the cooperatives advance.

4. A list of the specific responsibilities and powers of the cooperative directors must be formulated. Negative phenomena and the haphazard use of cooperative funds must be stopped. The loopholes that enable people to steal public funds must be filled. The use of cooperative funds to hold festivals and parties must be strictly prohibited.

5. A number of agricultural policies must be studied and reformulated. This includes the policies on stabilizing quotas, on making investments, and on making purchases at rational prices. Steps must be taken to ensure that the peasants receive at least 50 percent of the yields.

6. Each locality must be required to invest in building public health stations, a system of child-care centers and kindergartens, a wired-radio network, and cultural centers.

If wasteful expenditures are reduced and corruption is eliminated, the cooperatives will have no trouble building the above projects.

11943

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## NEED TO HAVE UNIFIED SET OF LAWS DISCUSSED

Hanoi NHAN DAN in Vietnamese 19 Aug 86 p 3

[Ideas To Contribute to the Party Congress column by Nguyen Van Binh, head of the Vung Tau Vietnamese-Soviet Oil and Gas Operations Legal Office: "Laws Must Be Unified Throughout the Country"]

[Text] 1. The state's documents (circulars and directives), stipulations, and guidelines lack uniformity, and there is duplication. The central organizations should take steps to place the standards and laws that are still of value in one unified document for use nationwide. It should avoid making different stipulations in different places. Whatever is ineffective should be abolished. Those laws that are still of value should be included in a single document. If this is done, mistakes will not be made in applying the laws in the localities. The uniformity of the document must be ensured, and loopholes that the localities could use to stipulate their own regulations must be closed. As citizens, people everywhere must adhere to a single unified document. For example, documents often state: "depending on the specific situation in each locality...." This seems appropriate, but in reality this provides a loophole for people to act at their own convenience. "The king's law is defeated by village custom" is a way of thinking and acting that is unacceptable at our country's present level of development. The limits in the flexible application of the country's laws to the specific situation in each locality must be determined clearly.

2. Inventions and discoveries that help improve production should be rewarded. Because these are special products that can bring results equal to tens of thousands of man-days. For example, if an invention makes a profit of 1 million dong for the state, why not give a reward of 20,000 or 30,000 dong?

3. I fully support the idea of having the primary-level units become more independent. But if they are to complete the tasks, it is essential to have a legal stick at the ready in case they should go too far. Otherwise, this could easily lead to a situation in which units lack principles and are no longer under the control of the state.

4. The cultural and social problems are alarming. The state must take resolute steps to ensure a wholesome social atmosphere, increase cultural knowledge, and instill morals in people at all levels, particularly children and youths.

5. As for the organization and cadre problem, I don't think that the problem can be solved just by replacing older cadres with younger cadres. Rather, incompetent people must be replaced by competent people who have a correct viewpoint. People must be promoted from the bottom up a step at a time and not lifted from one position to another. To have an excellent director, a person must first manage a workshop, an office, and a department before being appointed director. Also, the matter of controlling ages for each management sphere must be studied.

6. Letter boxes must be set up everywhere so that people can expose negative phenomena. The letters must be turned over to the organizations responsible so that action can be taken immediately in order to put a stop to the negative phenomena. Action must be taken to perfect the essential laws as soon as possible. These laws include the financial laws, labor laws, civil laws, laws on economic arbitration, and criminal laws.

In general, I think that much more emphasis should be placed on having a unified body of measures and implementing socialist discipline and order.

11943

CSO: 4209/14

## NEW REGULATIONS ON PEOPLE'S CONTRIBUTIONS ISSUED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Aug 66 pp 1, 6

[Article by T. S.: "Change in Procedures To Solicit Contributions from the People; Municipal People's Committee Issues Order Defining Four Purposes of Contribution"]

[Text] On the "Readers' Forum for the Party Congress" of SDP's 14 June 1966 issue, reader Pham Tri Sang (Subward 3, Binh Thuan District) suggested that at present, too many fund-raising drives are bothersome for the people and recommended that the municipal people's committee issue a uniform and rational set of directives on this matter. This reader's opinion reflected the general concern of the city people. On 3 August 1966, the municipal people's committee issued the following directive:

Because of the numerous difficulties our country is facing, solicitation for contributions from the people is permitted in order to encourage the participation of citizens with the state in constructing important projects for the benefit of the entire people, or in providing emergency relief for areas devastated by natural disasters or by enemy actions, or in improving the material and spiritual livelihood of our combatants who are enduring hardships and sacrificing themselves for the protection of the fatherland and the rear.

However, due to a misunderstanding of the above purposes, many localities and various levels of government and group organizations, primarily provinces and villages, have erred. In some instances, the motto "the state and the people work together" has been abused, and many forms of solicitation were widespread and conducted in a disorganized manner. In others, solicitations were made without a rational cause, purposelessly burdening the burden of in-money and in-kind contributions from the people.

Therefore, as of now, in the city, solicitations shall be authorized only for the following contributions: for the Tri An hydroelectric project; for the first frontline of the fatherland and for the armed forces rear area; for victims of severe natural catastrophes or enemy actions; and for the care of youth and children. The above four types of contributions shall be made freely and voluntarily and shall take into account the conditions of each household and each individual. The level of contributions as well as the method of contributions shall be determined by the municipal people's committee. There

shall be no other form of solicitation besides the above four. The people's committees of districts, wards, subwards, and villages and the mass and religious organizations shall not be allowed to set up, on their own, money-raising drives for the needs of the locality or the organization.

Besides, contributions that derive from duty are compulsory by nature (such as contributions for labor duty or for a sponsorship of a school, etc., or dues paid by members of an organization stipulated in its charter or bylaws such as the monthly dues of the youth's, women's, agricultural, and union's associations). Equally permissible are contributions made in the framework of a small unit or locality such as a citizen's cell or a hamlet which are initiated, discussed, and volunteered by the local people as token of their mutual love and solidarity (such as contributions for funerals, weddings, aid to persons injured in accidents, and assistance to destitute members of a party cell or to residents of a subward and hamlet) or small and staggered contributions for building public works projects in the area (such as repairing a broken culvert, fixing a burned-out street lamp, installing additional street lights in dark alleys, etc.) Those forms of participation shall be decided by the unanimous consent of members of the urban party cell, dwellers of a subward or hamlet, or any small-unit members who work together and shall be assisted and monitored by the subward and village authorities.

From now on, any solicitation or contribution not in conformance with the above determinations are unlawful and must be discontinued. The local people or members of the mass organization shall be made aware of any fund on hand resulting from an unlawful drive, and in the meantime, a report shall be submitted to the next higher people's committee to request directives on using the balance and on handling violations.

3489/12347

CCO: 4709/843



## BENEFICIAL EFFECT OF SELF-CRITICISM, CRITICISM FELT

Hanoi NHAN DAN in Vietnamese 21 Jul 86 p 3

[Article by Kim Anh: "Return to Dan Phuong District"]

[Text] We returned to Dan Phuong District (Hanoi) 1 month after the district party committee launched the self-criticism and criticism campaign and set forth measures to correct shortcomings. This activity campaign is still being conducted firmly in all sectors and villages in the district. However, Dan Phuong District has not only focused attention on this central task but has also coordinated it with the execution of routine local political tasks.

To date, the district has completed the spring rice harvest (with an output of 4.6 tons per hectare) and the spring corn harvest on 1,120 hectares (with an output of 2.5 tons per hectare). Dan Phuong has fulfilled its grain obligation to the state and, by delivering 600 (out of the planned 700) tons of pork to the state, has fulfilled its foodstuff obligation quicker than last year. The whole district is shifting to the summer-fall and 10th-month production emulation movement, planting the fall corn, soybean, and peanut crops to obtain seeds for next year, sowing 10th-month rice seeds on 267 hectares, concentrating efforts on tilling, and exploiting all sources of fertilizer for supply to the grassroots level. For the current 10th-month season, the district will try to achieve an output of 4.2-4.5 tons per hectare and is determined to finish transplanting seedlings by the end of July. Far from hampering production, the self-criticism and criticism campaign has aroused enthusiasm among cadres and people in all villages.

## Practical Correction of Shortcomings

After the self-criticism and criticism campaign, the district will have to correct shortcomings simultaneously in three respects: the cadres' qualifications, their behavior, and the policy toward them. For the present, however, the district is guiding satisfactory correction in three principal sectors--public security, grain, and food products--because they are closely related to the people's daily needs. Shortcomings will be corrected immediately if possible and the result will be published for the people's information.

Using its network of wired radio loudspeakers, the district announced the start of the first self-criticism and criticism phase in the district and called on cadres, party members, and the people to continue to contribute their views on party building. The district has received many letters from the masses. The problems raised in these letters have been examined and verified by the Shortcomings Correction Steering Committee chaired by Bui Xuan Lata, deputy secretary of the district party committee and chairman of the district people's committee. To turn the hearing of public opinion into a regular practice, the district people's committee will receive the people on Tuesday each week; in addition, during the current month of July, cadres, party members, and the people will be received weekly at the office of the district party committee. Members of the district party committee will also plan to receive the masses periodically on a weekly basis.

The district grain corporation is actively reorganizing its staff and cadres and improving its merchandise-selling method. In the past, the corporation owned three bureaus, one shop, and one operational section. Later, one bureau of bureaus has been reduced to two; in addition to the principal shop, six subsidiaries have been opened to sell goods twice a month at locations convenient to buyers. At these shops, sample rice is displayed, mechanical scales are used, and the names of salesclerks are shown on their uniforms in accordance with the corporation's regulations. The shop's regulations and salesclerks' responsibilities have been published for the people's information. The corporation has also retrieved over 12,600 dong worth of grain and property which had been lost due to slack management. After agreeing to the retirement of director Hang Xuan Cuc, the corporation unanimously promoted their deputy director Nguyen Van Luong to the post of director to replace the former and that another deputy director be appointed. The district authorities also dismissed deputy director Thoa because her abilities did not meet the requirements of her job, and reappointed her chief accountant in accordance with her professional skill and to replace another professionally incompetent comrade. The corporation transferred to another post a graduate student who had been the object of many people's complaints and also transferred two other comrades to areas compatible with their previous professional training. All these decisions had been brought up before all workers and employees of the corporation for discussion prior to implementation.

It has been noted that all negative practices prevalent in the food market as a whole happened at the Tan Phung Food Corp. causing much trouble to the people. To correct these shortcomings gradually, at first the district authorities promoted deputy director Nguyen Phan Thuong to the post of deputy director (because for 6 months nobody came to replace the former director since his retirement). All departments were reorganized, the personnel reduced, and a food-processing installation set up where nonprofessional laborers were transferred. Regulations were promulgated to prevent short weights in selling commodities to the people or inaccurate weighing in buying goods from them. As far as possible, efforts should be made to pay money quickly to persons selling their goods. During a recent inspection of the way these regulations were implemented, the food corporation still discovered infringements, such as the employees' habit of hiding good-quality commodities under false labels. Instead of displaying them for sale. It follows that regular inspections are necessary to form and maintain a good working habit.

The public security sector believes that the correction of shortcomings must concentrate on lifestyles and relations with the people. Specific regulations have been issued forbidding agents to eat and drink alcohol in restaurants, to call and spend time at the houses of persons under investigation (unless the visit is necessary to the fulfillment of duties), to play cards, and to hang around late at night. To date, these regulations have been strictly implemented. Leaders of the district public security forces will directly receive people on Tuesday each week. To collect the people's views and complaints, a letter box has been installed and may be opened only by the commander of the district public security unit (complaints and views about him must be sent to the secretary of the district party committee). Cases of misappropriation and bribery committed before the current campaign have been resolved.

In addition to focusing on three principal sectors, the district has also paid attention to correcting shortcomings in the tax, banking, and foreign trade sectors. The shortcoming prevailing in villages is that cadre and party members still owe grain and money to the state. Therefore, all villages are determined to pay off these debts gradually. The misuse of land can be classified into five categories: use of land twice or three times as large as the allocated 5 percent plot, sale and purchase of public land, use of land belonging to families who had left to build new economic zones, land transfer and sale contrary to policy, and regulation infringement by cadres when distributing land. All villages are sorting specific cases of misuse one by one prior to devising appropriate ways to correct these mistakes. Phuong Dinh Village has fixed a rate of debt payment by each party member and plans to resolve cases of misuse of land; this course of action has been approved by the people. This village is also a locality which has rapidly harvested crops and fulfilled its grain obligation and the planned norm for the 10th-month crop cultivation.

In the opinion of the district authorities, the self-criticism and criticism campaign must enhance the revolutionary spirit and sense of responsibility of cadres, party members, and the people. Meanwhile, over 20 persons have been newly admitted to party membership and about as many other comrades have been recognized as official party members.

#### Self-critical Attitude

Correcting shortcomings after doing self-criticism and criticism is a basis for assessing the self-critical attitude of cadres and party members, especially those holding key positions in the district. In this respect, different attitudes have shown up.

In compliance with the district authorities' decision, Hop, formerly chairman of the district people's committee, has given back almost all the common property he had used above and beyond the fixed norm. Dinh Huu Dan, member of the district party committee and chief of the district industrial bureau, has called his daughter back home from her job at the war invalids' enterprise because she was recruited contrary to principles. The district party committee has expelled three party members from the party because they had slackened off

on their ethics and made many mistakes. Some cadres of the food corporation who recently transferred their wives and children from the agricultural production sector to handicraft production installations in order to receive rice supplies from the state have now been compelled to call back their wives and children and to reassign them to their former place of work.

Nguyen Xuan Tuong is vice chairman of the district people's committee, in charge of industrial production, and director of the joint small industry and handicraft cooperative of the district. Last March, he transferred his wife--Mrs Nguyen Thi Xuan--from the marketing cooperative to the building material production cooperative of the district (not the building material production enterprise as reported in the 13 June NHAN DAN issue) so that she might be entitled to several priority treatment systems. Because the latter cooperative was newly formed, it was allowed to recruit only a limited number of laborers and was required to accept 15 former professional workers. District chairman Bui Xuan Lai once advised against appointing Mrs Xuan to the building material cooperative on the grounds that she was getting old and had been working for the marketing cooperative for 22 years and holding the emulation combatant title for many years and that the village authorities intended to appoint her to the cooperatives management board. But Tuong did not take this advice. Contrary to her allegation that she wanted to be transferred to the new cooperative because she no longer wanted to handle money matters and merchandise, Mrs Xuan accepted the post of cashier on arrival at this cooperative. Therefore, many people sent letters to the district party committee to complain about this matter and voice their disapproval and discontent. During the self-criticism and criticism session held by the district party committee, Tuong admitted his mistake and was requested by the district party committee standing committee to send his wife back to her former place of work. But soon afterward Tuong denied having done any wrong and lodged a complaint with NHAN DAN and some party leaders. When we revisited Dan Phuong District 2 weeks ago, we still found Mrs Xuan working at the building material cooperative. On 2 July, the district party committee concluded that this is a case of incorrect self-criticism and that Tuong will be held responsible for his attitude.

Self-criticism and criticism will have the effect of building, stabilizing, and strengthening the party only if they are performed with a correct attitude and followed by actual correction of shortcomings.

9332/12379

CSO: 4209/780

## MISTAKES CORRECTED AFTER SELF-CRITICISM, CRITICISM

Hanoi NHAN DAN in Vietnamese 25 Jul 86 p 3

[Article by Ngoc Thu: "Is There Anything New in Thanh Tri District After More Than 1 Month of Shortcoming Correction?"]

[Text] On 6 June 1986, NHAN DAN published an article entitled "Self-criticism and Criticism in Thanh Tri District." Recently, we revisited this district to see whether there is anything new after 1 month of shortcoming correction.

After the self-criticism and criticism campaign, the party committee of Thanh Tri District (Hanoi) has resolutely corrected shortcomings, first among comrades in the district party committee standing committee and members of the district party committee and then among key cadres in various sectors at all levels in the district.

The secretary and some members of the district party committee standing committee who bought imported motorcycles cheaply have now strictly complied with the Hanoi municipal party committee decision on the obligation to pay extra money to equate the purchase price with the then selling price in the market. Another member of the district party committee standing committee who once included two persons--his wife and son--in the payroll of a state agency has now realized that his son's appointment was a breach of criteria; therefore, he has recalled his son and sent him back to the rural areas to do farming. After receiving indemnities from the state, another member of the standing committee refused to move to a new place of residence under the pretext that he was experiencing difficulties. His attitude drew this comment from the masses: "The common people are the first to move out while the powers that be are allowed to stay on." Therefore, the district party committee had to criticize this comrade severely and take disciplinary measures against him to compel him to move out by the end of June.

During our visit to the villages of Van Phuoc, Dai Kim, and Yen So, we saw that many 5th-month ricefields had been completely harvested and mechanical plows were beginning to till the soil. Many cooperative members told us that this year the 5th-month harvest and 10th-month cultivation had been done more quickly than in the past. Over the past few years, cadres and party members in Van Phuoc Village encroached on the land of the agricultural cooperative. After the self-criticism and criticism campaign, many of these comrades acknowledged



their wrong and resolved to correct it. Pham Thi Thanh is secretary of the Van Phuc Village party committee and has small children. She once occupied a piece of public land, alleging that she would build a house thereon when her children grew up. After the self-criticism and criticism campaign, she realized her mistake and returned the land for the cooperative's use. Eight other party members also returned the land they once occupied without making use of it. The fact that party members who borrowed money and paddy from the cooperative have been slow in paying their debts or that they appropriated the cooperative capital for their own use has been dealt with severely. To begin with, one member of the village party committee standing committee and six party members paid off their money and paddy debts to the cooperative. Afterward, eight cooperative member households in turn paid their debts to the cooperative. Many cadres and party members wrote pledges to pay their debts by installments to the cooperative after harvesting the current 5th-month and spring rice crops. In view of the inability of families of fallen heroes and war invalids and families lacking in manpower to pay their debts, the village party and people's committees have given them opportunities to earn a decent living so that they will no longer have to borrow from the cooperative and get into debt.

In the village of Yen So, the party organization decided to entrust the cooperative management board with retrieving, by the end of July, all the capital immobilized by the questionable purchase of materials by some cadres and party members, and also to set up a subcommittee to investigate the case of four production units which sold fish and appropriated the price differential. This amount of money should be paid back to the cooperative while the persons who violated pricing discipline and unilaterally raised the price to make a profit should be dealt with severely.

Formerly, cadres, party members, and employees of the state commercial sector who funneled out merchandise to private traders to make a profit were usually protected by the higher authorities who only took lenient measures against them under the pretext that their case fell within the realm of internal affairs administration. Recently, however, the head, deputy head, and 5 employees of a department store who sold 600 pairs of flashlight batteries in the free market to reap a price differential of 13,000 dong have been suspended from their office and handed over to the judicial organ for judgment. The secretary of the primary party organization and the head and deputy head of a grain shop who distributed about 2.5 tons of glutinous rice at a low price to the shop employees have been suspended from their jobs, pending disciplinary action.

The leadership behavior of cadres and party members who hold powerful positions and who are imbued with bureaucracy, commandism, and authoritarianism is a hotbed of corruption, waste, and mass oppression. The district party committee considers it highly important to correct the working method and to develop a leadership style involving close contact with people and affairs. The district party committee has formulated a specific system by which each member of the district party committee and all comrades in charge of various sectors in the district will have to go down to the grassroots level to carry out their mission. Apart from his specialized job, every key cadre in the district, especially those in the district party committee standing committee, must plan to visit primary organizations to have an idea of the way affairs are handled,



to understand the people's minds, to join these organizations in overcoming difficulties and hindrances and to do so within their own competence, and to try to spare subordinates the trouble of waiting and going back and forth many times, which causes inconvenience and a waste of production time to grassroots installations. Party chapters must carry out activities in accordance with regulations. On the third day of each month, all party chapters in the district must review the task of guiding production and organizing the people's life; on the 19th day, they must hold self-criticism and criticism sessions among party members, gradually put this activity into the right track, and center it on specific and realistic topics. Party chapters must express their views whenever any party member begins to make mistakes; they must do so to correct immediately the slightest mistake instead of allowing it to develop into a serious shortcoming. Cadres and party members who hold powerful positions must always heed the opinion of the masses. If the failure of any cadre or party member to correct his shortcoming conscientiously reflects badly on the party's prestige, especially if it causes disunity, dissension, and sectarianism, it will be necessary to reexamine his party membership qualifications and to deal severely with him. The organizational sections of both the party and the administration in the district have been entrusted with the task of drafting regulations on working relationships between the district party committee and the district people's committee and defining the responsibilities and tasks of each bureau and each specialized and professional department as well as the specific functions and duties of each cadre from the district to the grassroots level. Based on these regulations, the district party committee will endeavor to develop leadership and working manners entailing explicit responsibility to the party and people and to prevent situations where nobody can be held responsible for any shortcoming and where corrective measures and disciplinary action cannot be taken promptly and specifically against the real culprit and misdemeanor.

9332/12379

CSO: 4209/781

## FATHERLAND FRONT PERFORMS CRUCIAL REVOLUTION WORK

Hanoi DAI DOAN KET in Vietnamese 27 Aug 86 p 2

[Article by Architect Huynh Tan Phat, Chairman of the Presidium of the Vietnam Fatherland Front Central Committee: "Observing National Day 2 September (1945-1986): Thoughts on an Important Part of Revolution Work"]

[Text] Each year on 19 August and 2 September, important national holidays, our people from the north to the south have an opportunity to recall heroic pages of the country's history. They are combat exploits achieved under the leadership of the glorious Vietnam Communist Party and the banner of great unity of great President Ho Chi Minh. His teachings of "Unity, unity, great unity. Success, success, great success" were not simply a slogan but through revolutionary reality have become a universal truth and a policy of the Front. Whether during the previous democratic national revolution or the present period of the socialist revolution, the work of the Front as President Ho said is an important part of revolution work.

Oriented toward the Sixth Party Congress and especially to make effective contributions to the party congresses at all levels, Front committees at all echelons must become increasingly imbued with the mass viewpoint of the party in Front work. The party constantly reminds, "The revolution is an undertaking of the masses." No one can replace the masses in that undertaking. The history of long and arduous combat to win independence, freedom and reunification for our fatherland has eloquently proven that it is primarily our people, educated by the party in awareness concerning their immediate and long-term interests, who have conscientiously stood in the ranks of the party to organize and strive for self-liberation and to rescue themselves, with no one putting out a hand to "aid" in saving the people. Those with an ideology of replacing or "bestowing favors" on the masses easily come to looking down upon and not believing in the masses, and therefore can never mobilize the strength of all the people. Relying only on a number of positive and hard-core factors while neglecting one's reserve force will easily lead to solitary, detached and narrow struggle unable to recognize that to have a revolutionary movement of the masses, it is necessary to assemble every class of the people and to mobilize the revolutionary capabilities of the mass forces. This is not only mobilizing the active part but also working in a way that causes the active part to pull the hesitant part and a number of the hesitant to pull the backward part. Only in this manner can we create a truly broad united national Front and mobilize every force capable of striking the enemy under many forms and many degrees to create an "all encompassing dragnet covering heaven and earth" to surround and annihilate the

foe. We must know how to assemble the masses based on many political, armed, economic, cultural and social requirements, broadly introduce a majority of the masses to organization, and deny the reactionary forces a location to stand and compete with us for the masses.

After winning national independence, freedom and reunification, the strength of all the people is also necessary before successfully completing national construction, the construction of socialism, and the protection of the socialist Vietnam fatherland. The Resolution of the Fourth Party Congress stated, "firmly grasp the dictatorship of the proletariat, develop the collective ownership of the laboring people, simultaneously carry out the three revolutions: the production relations revolution, the scientific and technical revolution, and the ideological and cultural revolution, of which the scientific and technical revolution is the key. The three revolutions above are also an undertaking of the masses and a strength of the entire people. Although the proletariat class is the most complete revolutionary class, it is unable by itself to successfully achieve national liberation, especially under conditions in which our nation is a backward agricultural country without high industrialization standards and with a still meager worker class. Therefore, in the revolutionary undertaking, the proletariat class must unite and assemble various classes of the people around it in a truly broad united national front. Construction: This united national front is in substance a search for allies for the proletariat class and for the revolution, from strategic allies and those worthy of trust to those who only wish to go with the revolution temporarily or under conditions, etc., and thus to unceasingly "acquire additional friends and fewer enemies" to highly isolate the enemy and to create a strength of all the people to strike the enemy.

And we firmly believe that, with the correct policy and position of the party in the increasingly more victorious and rising revolutionary process, those allies--if truly patriotic--will still continue to go with the revolution in the new period. It is on the basis of that belief that our policy is still truly united with them, both united and using the reality of the revolution to regularly uplift and augment their political awareness, creating conditions for a long-term alliance with them. This is because entering the period of socialist construction is also a protracted and decisive revolutionary struggle to decide who defeats whom between the two roads of socialism and capitalism.

During the previous revolutionary process, we defeated invading imperialists double our size such as the Japanese fascists, the French colonial and American imperialists and the Beijing expansionists because we used and developed the concentrated strength of all levels and classes in the political, armed, economic, cultural and social aspects, and we had the strength of all the people in fighting the aggressor.

Now our party has become a party in power. Previously, Lenin reminded that: when the party has become the party in power, it is necessary to prevent two dangers: first is bureaucracy separated from the masses, and the second is the disease of formalism. Through the recent self-criticism and criticism drives in basic units, local areas and sectors, we were profoundly inspired with one fact: from a previous position of using the people as the foundation, because of the people and due to the people, there are now many agencies, units

and some individuals in the leadership levels where Administration has risen with no attention given to the rights of the people; not only not respecting and developing the collective ownership rights of the people but creating many serious violations in those ownership rights, not only a loss of confidence among the people. Many have not recognized that the collective ownership rights of the laboring people are the nature of our system and that those rights of the people must be developed before the revolution can rely upon the strength of the people to achieve a dictatorship regarding the foe and create a strong revolutionary motive force to successfully address every objective of the revolution. Previously, every task took mass mobilization as a foundation but since taking power, a number of agencies, sectors, units and individuals with power and position have leaned toward administrative methods and the use of legal compulsion more than creating the revolutionary consciousness of the masses. The principal reason is that the comprehensive realization of the "party leading, the people owning and the state managing" has not been thoroughly understood or substantiated at all levels; consequently, in a number of places, the party committee echelon has not given firm leadership, concern to organization and cadres to strengthen the Front and the mass and youth organizations of the Front to ensure the firm leadership of the party over Front work and civilian promotion. Moreover, because mass lineism still have no policy or system for properly building a relationship between the organization of the party and those of the masses and the government, they have not developed a consolidated strength and have not created a strong "tied" under the united leadership of the party.

On the other hand, during the past 2 years the Secretariat issued Directive 17 on "Strengthening the leadership of the party over Front work during the new period" but many sectors and local areas have still not clearly recognized the role of the Front in the present revolutionary period. The Front work concept plays a small role in mobilizing a number of representative objectives in upper levels that have not realized that the new is presently accompanying mobilization of a number of upper level objectives and collecting representative personalities; and it is extremely necessary to build the basic level front in the populated areas--the locations where daily, people of various social levels, circles, generations, religions and ethnic backgrounds interact with each other in daily life. This is the strength of the masses at the basic level. As Mao often reminded: life is at the basic level, revolution is at the basic level. And the ownership rights of the laboring people are the most directly specific and effective at the basic level. The true meaning of unity is to unify the revolutionary actions among the people and in the locations where the people lead their daily lives.

Effective orientation toward the Sixth Party Congress is to promote Front work at the basic level, to delve into the lives of the people, and to motivate the people to assist each other in overcoming difficulties in daily life. Specifically, assisting each other in building and repairing houses, constructing public roads, clearing and digging water drainage ditches, practicing sanitation in the basements, cleaning and beautifying the streets, finding jobs for each other, organizing good service and commodity distribution in residential areas by establishing consumer or marketing cooperatives, opening tailor and bicycle repair shops, establishing child care centers or organizing each other

to watch over children while their parents work, mediating with each other when disputes occur, establishing people's first-aid kits, establishing popular libraries, assisting each other in eliminating illiteracy, organizing patrols and guards to protect the security of the subward streets, hamlets, etc.

The permanent mission of the basic level Front is to give concern to the lives and achievement of collective ownership rights of the people, on that basis motivating the people to carry out the political, economic, cultural and social missions set forth by the party and state. It is necessary first of all to develop the collective ownership spirit of the laboring people with every task the people knowing, the people discussing, the people working and the people inspecting, through that unceasingly raising the ownership concept and ability of the people in the residential area.

Such a residential area in which the people regularly unite and mutually cover and protect each other, and with such increasingly higher self-management ability will be the location in which the daily revolutionary actions of the masses occur and consequently, is a strong support for the state in the tasks of building socialism and protecting the socialist fatherland. General Secretary Truong Chinh, at the Conference of Cadres to Study the Draft Political Report of the Sixth National Party Congress, reminded, "The strength of a nation and of a revolution is primarily in the people. Every position and policy must use the people as the source. Thus did our forefathers think and do. During the present era, from the initial uprising to the August Revolution and the wars of resistance against the French, the Americans and the Beijing expansionists, our party has always done like that. The advance to socialism today must increasingly be like that."

From this realization and viewpoint, we hope that the coming Party Congress will make arrangements in organization and personnel with the purpose of ensuring strengthened leadership of the party over the revolutionary tasks of a fundamental and strategic nature: civilian proselytism and Front work.

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CSO: 4209/5



## FATHERLAND FRONT WORK SERIOUSLY NEGLECTED

Hanoi DAI DOAN KET in Vietnamese 27 Aug 86 pp 4, 2

[Article by Dam Hien, Quang Ninh Province Fatherland Front Committee: "Some Problems on Front Work Requiring Concern and Solution"]

[Text] Directive 17 of the Secretariat of the Party Central Committee asserted that, "The Vietnam Fatherland Front is the largest political and social organization." Recently, the contents of Resolution 17 have assisted local party committee and administrative echelons to more correctly recognize the Front organization. The Front cadre ranks have been more motivated, at ease and enthusiastic in implementing their mission and function, and the mission and function of the Front organization.

Nevertheless, in actual practice during the past few years, activities of the Front organization, from the provincial to the basic level, still have obstacles and limitations worthy of concern:

First is the relationship between the Front and the people's committee at the same level. The Front organization "is a thread connecting the masses to the party...a strong support of the administration." (Directive 17). Therefore, the Front must have a firm grasp of the social situation and the thoughts and aspirations of the people reflected to the head of their National Assembly delegation and their suggestions to the people's committee (in this article, understood as the same level). However, it seems that the chiefs of National Assembly delegations and people's committees never inform the Front of those opinions so how can these matters be examined, resolved and discussed? Because of this, a "unidirectional information" method of work has evolved. The Front continues to reflect and make proposals; but the people are often unaware of where the matter progresses.

Second is that the lack of understanding of a number of government leaders concerning Front work is still serious: a number believe that the government is an upper echelon of the Front! To cite an example:

--A provincial people's committee sent the Front and a number of concerned sectors in the province a decision in which there was the phrase, "The provincial Front will bear the responsibility..."

Or, "It has now been decided that the new life supervision committee components of the province will consist of... the Provincial Fatherland Front." Naturally, the final article has the phrase, "...implement this decision."



--When he heard the proposal that "a Fatherland Front delegate must be invited to attend a conference," the chairman of a municipal level people's committee said, "I have already invited the bureau offices so why should I invite the Front!"

Third is that Directive 16 of the Secretariat of the Party Central Committee stipulated that the Front organization of our country be formed in four levels. The missions and functions are fairly complete. Operating as required demands a fairly high dynamism and creativity from the Front organization in maintaining close contact with the primary level. However, the conditions allowing the Front organizations--especially at the district, subward and village level--to achieve their missions and functions are not fully stipulated.

In present actual practice, the working headquarters of the Front at the district level is afflicted with a temporary nature. The village and subward Front organizations have no work equipment. The echelon administration takes no responsibility.

Concerning expenditures, the Front organization at the subward and village level (and moderately also at the district level) "cannot be recorded in the expenditure items and therefore has no basis for allocation" (the opinion of a financial agency). Once this occurs, allocation depends on the authority and the "feeling" of the financial agency and on the "competitive skill of the front agency." We cannot avoid thinking about the time that the Front chairman of Cam Pha District--an island district--said, "Every year, we are unable to hold a 6-month review meeting due to the lack of funds."

The fourth is cadre work. During the past few years, the provincial, district and municipal Front cadre ranks in many locations have been rejuvenated in order to have sufficient strength to shoulder the mission of the Front organization in the new situation. However, there is nothing easy in transferring a cadre into Front work. A number of them say "Performing Front work now is toilsome and purposeless!" and "The wages of the Front and civilian proselytism sector are the lowest," so they seek every means to enter economic sectors.

There are also cases in which those at the district party committee level suggested for the responsibility of district Front chairman have stared and asked, "Why am I being disciplined?"

Therefore, in Quang Ninh Province for the past many years, there is a shortage of cadres from the provincial Front agency to the districts and cities. There are even several districts that, due to "an inability to select cadres" for key replacement positions, have been unable to organize a congress although much time has passed. Of the number of incumbent cadres, some are "tired" and some are waiting, so the mass movement has fearfully declined.

From the actual situation above of Front organization and work, we suggest:

1. It is necessary to systemize Front organization and work.

--In organization, there must be a framework of Front cadres at the provincial, district and municipal levels in accordance with the region and area such as

the lowlands, midlands, highlands, islands and border. At the same time, Front cadres must be standardized to have sufficient strength to shoulder the mission of mass mobilization in the new situation. A system of fair and adequate salaries is also needed.

2. A thorough understanding of Directive 17 in party committee and administrative echelons must be continuously supervised. Simultaneously, the Standing Committee must reexamine its responsibilities as recorded in Directive 17 and promptly achieve those that have not already been done, such as the party committee structure maintaining the key mission of Front echelons.

3. Expense items for local budget expenditures from the district level and down must be clearly stipulated. Such action will avoid the situation of stalemate in Front organization activities, and the arbitrary situation leading to authoritarianism when the finance sector at these two levels allocates expenses.

4. The problems of an office and working conditions at the district and village levels should be resolved in the following direction:

--The district and municipal levels must make common arrangements for the civilian proselytism field of one area. An office and other equipment must be rationally distributed in accordance with the table of organization and equipment. A common conference room, a common typist, bookkeeper, treasurer, etc.

--The subward and village levels must arrange a room and amenities for work as for the party committee and public security force in the overall common building of the subward and village office.

5. The provincial administrative school system must teach basic subjects to those in the standing committees of the district, municipal, subward and village people's committees after each new people's council term, including themes on Front work following the spirit of Directive 17. Our provincial Front organization has also conducted training classes for key cadres of the district, municipal, subward and village Front organizations after each congress period in order to supplement the knowledge of the Front cadres in government work, to understand the relationship of the government with the Front, and to create a strength of synchronized realization and action from the primary level.

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CSO: 4202/5

## BRIEFS

IMPROPER LAND USE DISCUSSED--Today in the rural areas, arable land is frequently bought and sold, occupied, and exchanged illegally. Houses have even been built on product contract land. We propose that disciplinary action be taken against those who abuse their powers and violate the land policies of the party and state. The land that has been occupied, bought and sold, and exchanged illegally must be recovered immediately. At the same time, the people mentioned above must be forced to reimburse the collectives for the products that they obtained illegally. There should be a rational 5 percent land use system. Many families that were allotted land in 1960 to carry on a sideline family business have never made any use of the land. The land of people who died 24 or 25 years ago passed into the hands of their children and grandchildren, but these people are no longer living in the hamlets. Conversely, there are people 24 or 25 years old who were born and raised in these hamlets and who live with their families in these hamlets, but they have not received any land. In order to overcome the above shortcomings, the congress should raise the issue of having the state promulgate a land law in accord with the present situation in the rural areas. [Short Opinions column by Nguyen Van Cong, Nam Thanh District, Hai Hung Province]. [Text] [Hanoi NHAN DAN in Vietnamese 19 Aug 86 p 3] 11943

CSO: 4209/14

## SOCIOECONOMIC MEASURES FOR SECOND SEMESTER SET FORTH

Hanoi NHAN DAN in Vietnamese 25 Jul 86 pp 1, 4

[Text] The most important task of the recently concluded fifth session of the third term of the Ho Chi Minh City municipal people's council was to review carefully the implementation of the socioeconomic plan in the past 6 months and to set forth a program of action for the remaining 6 months of the year, which calls for efforts to implement 11 specific measures most satisfactorily in order to overcome difficulties, to maintain and develop production, to establish order in distribution and circulation, and to stabilize the people's life.

The session unanimously noted that despite major changes caused by the improper implementation of price-wage-money policies, the city had made positive efforts to improve its working concept and method and had implemented timely policies and measures to overcome and limit objective difficulties. All sectors, precincts, and districts had done their best to overcome difficulties and make progress in some specific areas.

In the last 6 months of the year, Ho Chi Minh City will continue to implement 11 urgent measures, strive to remove financial, pricing, and monetary hindrances, update the method of mobilizing the people's capital, invest more capital in production, and create sources of agricultural products, grain, and staple commodities to meet the requirements of daily life and export. The principal measures to be taken will be as follows:

--In industrial production, it will be necessary to guide the business association of enterprises with import-export and home trade units. Orders to import raw materials for the production of selected consumer goods will be carried out. Continuous efforts will be exerted to reorganize the sector in charge of managing discarded materials and to exploit and deal in them in a better way. Action will be taken in conjunction with centrally run sectors to apply uniform contractual prices within the municipal area and to propose the promulgation of a suitable pricing system for the contractual production of export goods in order to attract more laborers to the production field. Plans for commercial association with foreign countries will be carried out to develop production.

--In the agricultural field, efforts will be exerted to carry out satisfactorily the plan for the summer-fall and 10th-month rice cultivation areas by organizing a timely and sufficient supply of fertilizer and insecticide as well as the electric power necessary to water conservancy works. Plans will be implemented to form business associations to grow peanuts and kenaf, to breed shrimp, and to develop the production of animal feed to promote stock breeding among the people and to achieve a herd of 300,000 hogs. The production cost of agricultural products from each season and crop will be recalculated. Initiatives will be taken to propose rational purchase prices to encourage agricultural production in accordance with the central level plan and the actual circumstances in the city.

Taking actual facts into consideration, it will be necessary to join the centrally run sectors concerned in reexamining, reassessing, and resetting all kinds of prices and the price level in the present situation; the recently decentralized task of fixing and managing prices will be reviewed and experiences drawn therefrom.

The party organization and people of Ho Chi Minh City are firmly determined to step up production, to stabilize the people's life, to maintain political security and social order and security, and to endeavor to carry out the 1986 socioeconomic plan satisfactorily in order to score achievements to greet the Sixth Party Congress.

9332/12379

CS0: 4209/781



## QUALITY CONTROL MEASURES RECOMMENDED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 7 Aug 66 pp 7, 8

[Article by D. C.: "Inspecting State-operated Trading Stores: Quality of Soap, Toothpaste, Bicycle Accessories, and Ballpoint Pens Is Declining! Many Producers and Consumers Neglect Quality Control; Market, State Trade Fair, and Displayed for Sale at Tan Thuan, Ly Nam De, and Dan Sinh Markets"]

[Text] In the last 3 months, workers' inspection groups went to 15 stores in the city and picked up from the shelves or in storage rooms 200 samples of goods such as soap, toothpaste, bicycle accessories, ballpoint pens, and fish sauce. Of these samples, 125 were tested by the municipal branch of weights, measures, and quality control, which found 104 failing quality control tests. Most of the goods were produced by small-industry and handicraft production, and the worst in quality were bicycle accessories and soap.

Why were those products which failed quality control tests publicly displayed for sale at general department stores and at hardware and electrical appliances stores of the state-operated commerce, cooperative, and financial cooperative sectors of the city, districts, and wards? At the Department Store markets of Tan Thuan, Ly Nam De, and Dan Sinh, where stores of hardware and electrical appliances were displayed, only 4 out of 11 samples tested passed quality control tests. Besides, at the same markets, bicycle accessories used to be bogus or junk merchandise. At the municipal laundry company, out of 14 samples picked up from the shelves and in storage rooms, only 4 met quality requirements, and almost all soap, shampoo, and ballpoint pens failed.

The primary cause of the quality decline of the above goods was the lack of concern of small-industry and handicraft production facilities about quality. State agencies also neglected quality inspection when signing production agreements or when purchasing goods. In production and purchasing contracts signed by agencies of the state-operated and trade sectors, regardless of determining material and chemical supply levels and in compliance with state quality control standards attended. For instance, soap bars produced by Huong Lan (38 Ky Long, 1st Precinct), Thich Phat (177/1 Area 1, Ba Nam, Binh Chanh), Hong Phuc (LTC Lam N, Phu Lam C Residential Complex), Tang Nguoi (336/16/58 Thieu Tri, 8th Precinct), Tuyet Mai (311 Buon Bien Thu, 1st Precinct), etc. contained only 15 to 40 percent fatty acids instead of 60 percent as quality standards require. By this mere reduction of the proportion of fatty acids, the above facilities have losted from the state and swiped from the people tens of millions of dong.

The city consumer suggests that production management and communications and distribution units quickly correct the grave deficiencies mentioned above in order to restore the confidence of the people on the quality of staple commodities being displayed in stores in the city.

9458/12947

CSO: 4209/843

## INTENSIVE CULTIVATION OF TEA REPORTED

Hanoi NHAN DAN in Vietnamese 25 Jul 86 p 2

[Article by Lieu Chien: "Intensive Cultivation of Tea in Phuc Triu"]

[Text] In the village of Phuc Triu (Thai Nguyen City, Bac Thai Province), there are about 100 hectares of tea crop to be harvested and 16 hectares of tea nursery. The village has had a tea-planting unit of 100 laborers which was founded in 1964 but has carried out activities irregularly and has not grown into a really specialized production unit. Prior to 1984, Phuc Triu did not have any plan to develop large-scale cultivation of tea; the village managed production loosely, failed to invest technical materials in intensive cultivation, and consequently yielded a low productivity and output every year. But with its 1984 plan for overall economic development, Phuc Triu saw tea production in its true perspective, gradually invested in intensive cultivation, and set ever more rational contractual norms. It is in 1986 that the village cooperative plans for the first time to invest 4,000 kg of phosphate fertilizer, to use 20 tea-pruning shears, and to acquire enough insecticide to spray on tea trees four or five times a year.

This year, the cooperative has contractually assigned an output of 4,500 kg of dried tea buds to the tea cultivation unit. Toward this end, in addition to technical investment, the cooperative has continuously strengthened the management of the tea cultivation unit, ensured that its activities are carried out systematically according to plan, and set forth some measures concerning the care for tea trees, their periodic pruning, and seasonal and timely harvest according to technical regulations with the aim of avoiding slipshod work and an incomplete harvest. The cooperative has regularly controlled the quality of delivered tea, organized the inspection and survey of the entire tea area, and inspected the tea trees planted by private individuals among those planted by the collective in order to protect the collective property. Bovine pasturing on tea hills has been prohibited; slow-growing and low-yield tea trees have been reinforced by newly planted ones; and other types of shady trees have been grown to protect the entire tea area. The cooperative has decided to carry out weeding twice yearly and has set the following contractual remuneration rates: 1 man-day for weeding 150 square meters, 1 man-day for cutting on 360 square meters, 1.4 man-days for picking 10 kg of fresh buds, and 1.8 man-days for delivering 1 kg of dried tea under the condition that the cooperative will collect 2.2 kg of dried tea out of every 10 kg of fresh tea. Tea cultivation has thus been considered ever more important in Phuc Triu.

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CSO: 4209/781

## BRIEFS

PLEIKU COFFEE PLANTATION--In the past, people in Pleiku City (Gia Lai-Kon Tum Province) had the habit of growing coffee in gardens but the cultivated area was small--only 47 hectares. In recent years, the gardening movement to grow coffee and industrial crops has been stepped up. People have voluntarily built gardens--1 or 2 sao for each family--in areas adjacent to the city. Many cadre and farmer families have grown 20-30 coffee trees each. This movement is developing strongly at public agencies and schools. Thanks to a good water conservancy campaign which has provided water for the cultivated crop, the ratio of living trees is high--95 percent--and the harvest has been fairly abundant. The movement to grow coffee in gardens has also been conducted in new economic areas and nomad settlement villages. The Vuon Mit new economic zone has planted over 16,000 trees of various kinds and cultivated 11 hectares of coffee. Xa Gao has planted about 14,000 trees of various kinds and cultivated 5 hectares of coffee. Dien Phu has planted over 21,000 trees of various kinds and cultivated 5 hectares of coffee--an average of 20 trees per family. In 4 nomad settlement villages in Xa Gao, 24 trees have been planted in each garden. In Mo Nu Village, each family has planted 23 trees. In Dien Hong, Hoi Phu, Hoi Thuong, Yan Do, and Hoa Lu Subwards, every household owns a coffee garden. Owing to the implementation of incentive measures, to diversified investments, and to the proper application of technical measures, 503 hectares of coffee gardens in Pleiku City have been developed satisfactorily. [Text] [Hanoi NHAN DAN in Vietnamese 21 Jul 86 p 1] 9332/12379

CSU: 4209/780

## MISUSE OF COAL RESIDUE DENOUNCED

Hanoi NHAN DAN in Vietnamese 25 Jul 86 p 2

[Article by Diem Binh of Quang Ninh: "Coal Picking"]

[Text] Some administrative and nonproductive agencies have been aided and allowed by various mines to pick coal residue at mining sites. Employees of these agencies have come to the mining sites to pick coal residue but their principal job has been to take pure coal, especially sifted coal and coal dust of good quality. These easily acquired products have been turned immediately into goods for exchange with other provinces because the local administration has issued permits for their circulation! This way, the employees of these agencies have earned a substantial income. Every employee of Institute K has received a bicycle and a desk fan after picking coal for 10 days. In 1985, a judicial agency "picked" as many as 500 tons of coal and exchange them for other goods!

Because coal picking is being expanded without specific guidance, excavation has been carried out at many open-air coal seams and caused fatal accidents. Some agencies have even used deceitful means to take finished coal overtly from warehouses and storage fields.

It is suggested that the responsible sectors tightly control the sources of coal and delineate fields where discarded coal is stored and areas where spilled coal may be picked instead of allowing the above-mentioned situation to drag on and lead to the dispersal of this precious mineral resource, which is vital to many national economic sectors and has an export value.

9332/12379

CSO: 4209/781



## TRADE UNIONS PREPARE FOR SIXTH PARTY CONGRESS

Hanoi DAI DOAN KET in Vietnamese 27 Aug 86 p 4

[Article by Phan The Duyet, Acting Chairman-Concurrent General Secretary of the Vietnam Confederation of Trade Unions: "The Vietnam Confederation of Trade Unions--Effective Activities"]

[Text] The Party Congress is clearly a deep concern of the masses, workers and civil servants throughout the country.

The Seventh Plenum of the Vietnam Confederation of Trade Unions (VCTU) Executive Committee (Fifth Session) held at the beginning of August reserved nearly all its time to study, discuss and contribute opinions on the Draft Political Report of the coming National Party Congress. Nearly 130 Executive Committee members attended the conference and worked with a high concept of responsibility and collective spirit. Besides thoroughly studying the contents of the Draft Political Report and participating in the contribution of opinions on the "situation and mission," the conference carefully discussed the "economic and social course and mission during the 1986-1990 period." A majority of the representatives suggested that the central committee must clarify the economic and technical base in order to ensure successful achievement of the norms presented in the report. The conference also emphasized human investment, especially construction of the worker class ranks. This is a great mission to be carried out on a regular and long-term basis, and must be substantiated by resolutions of the party on building the worker class during the transitional period to socialism, aimed at promoting this urgent mission. It is especially necessary to have sensitive and effective methods in rearranging and reorganizing production and creating work in order for everyone to have a job to do and to work with high productivity. This is also precisely the basis for resolving the problems of daily life, and reestablishing the social and economic order of the entire country.

The representatives gave much concern to developing the collective ownership rights of the laboring people. In substance, during the past few years, due to a lack of the necessary theme and conditions, the ownership rights of the laborer have not been ensured. Not a few state agencies at all levels have violated the ownership rights of the people. A number of systems and policies have not yet motivated the people; laws are not strict; and market and price management is lax, creating an inequity between labor and privileges; and between the legitimate laborers and those engaged in illegal trading.

The VNU Executive Committee also recognizes the necessity for continuing to promote self-criticism and criticism in the party in order to resist occurrences of undemocratic practices, arrogant bureaucratism, and exclusive privileges and interests, and other negative occurrences rising within the party. On the other hand, to contribute toward building a powerful party, the VNU Executive Committee clearly recognizes the responsibility of trade union organization in educating and building the worker class ranks. The union must train and supply the party with good and capable cadres from a worker background; discover for the party superior party members to participate in the committee echelons; and introduce outstanding workers to train for admission to the party.

With the purpose of completing these missions and to be worthy as the largest organization of the worker class, the communist school and the state management and economic management school, the trade union first of all must quickly improve its apparatus organization and operational methods. It must gradually overcome the situation of an apparatus that is still cumbersome and too heavy; in which trade union cadres have little contact with the workers and the basic level, and activities are ineffective.

It must be mentioned that recently, many trade union federations and sector trade unions have and are boldly studying apparatus reorganization and rearrangement, concentrating forces to go into the basic units, and supervising every activity aimed at assisting to promote the mass movement at the primary level.

From the realization that the Sixth Party Congress is an important political event of the country, the worker class must lead in the emulation movement for achievements to welcome the Congress. The VNU Secretariat has set forth an action program for the last 6 months of 1986 with five specific missions:

1. To organize a phase of profound political activity among the workers and civil servants aimed at introducing everyone to a thorough and deep understanding of the draft political report outline. To guide the masses in discussing and contributing opinions on the report outline for reflection to the Party Central Committee by the Confederation.
2. To coordinate with the government and the Ho Chi Minh Communist Youth Union in launching emulation and making achievements to welcome the Party Congress. On the basis of reviewing achievement of the plan for the first 5 months of the year, to examine the missions and plans for the last part of the year in order to outline an emulation program with specific objectives for each team, unit and shop. To motivate a pledge between collectives and individuals aimed at achieving and surpassing proposed objectives in order to complete and surpass the 1986 plan.
3. To join state agencies in implementing methods of alleviating difficulties in the lives of the workers and civil servants. The Confederation of Trade Unions must actively participate in the Council of Ministers and find methods to successfully achieve Resolution 31 of the Political Bureau with the purpose of promoting production, strengthening market and price management, and applying urgent methods to gradually stabilize the lives of the workers and civil servants.

4. To motivate the masses in the struggle to resist negative occurrences, to protect socialist property, and to resist every stratagem in the multifaceted war of sabotage of the enemy to ensure political security and social order and safety.

Each business and production unit and professional and administrative agency must encourage the masses to resist every occurrence of waste, theft of public property, and violation of economic and financial management principles; and violation of the ownership rights of the masses. The workers and civil servants must boldly develop so the party and state can screen degenerate and degraded elements from all levels of the party apparatus and the government. The trade union protects those workers and civil servants who honestly and courageously struggle against erroneous actions and negative occurrences detrimental to the prestige and interests of the party, the state and the collective.

5. To mobilize the workers and civil servants to participate in party construction. The trade union has a responsibility to introduce superior cadres and party members with a worker background to the leadership agencies of the party. The secretaries of provincial, municipal, ward and district trade union federations, and primary level trade union secretaries are presently the committee member level that must grasp and contribute to proper implementation of the guidance circulars of the Organization Department of the Party Central Committee. At the same time, the trade union must select and introduce superior workers for examination and advanced training by the party for admission during the inauguration of the Party Congress, with the purpose of further increasing the worker component in the party.

By properly achieving this action program, trade union levels will make effective achievements for welcoming the Sixth Party Congress, and assisting to resolve the economic and social difficulties of the nation.

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## BRIEFS

TREATMENT OF HANDICRAFT WORKERS--Thai Binh City has 32 small industry and handicraft cooperatives. Each year they produce goods with a value equal to 70 percent of the city's entire output of industrial and agricultural goods. Although this is the case, the state agencies don't treat the handicraft installations fairly. Withdrawing money at the bank is difficult. Handicraft workers are not allotted the same amount of grain as state enterprise workers. In the past, handicraft workers were paid bonuses for heavy and hazardous work just like state enterprise workers. But these bonuses were eliminated for handicraft workers several years ago. There are many other problems, too. For example, social insurance, retirement, and disability systems have not been implemented for handicraft workers even though they work their entire life producing goods for society. Handicraft workers must be treated fairly. [Short Opinions column by Ngoc Van and a number of members of the Hoang Dieu Paper and Chalk Cooperative in Thai Binh] [Text] [Hanoi Nhan Dan in Vietnamese 18 Aug 86 p 3] 11943

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